The Need for Affiliation: Why Income Inequality Leads to Luxury Consumption

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Abstract for PhD

The Need for Affiliation: Why Income Inequality Leads to Luxury Consumption

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Conspicuous consumption—spending money on luxury goods and services to publicly display the economic power of the buyer—has historically been associated with people that have more disposable income. Recent literature suggests this may no longer be true. The phenomenon of "keeping up with the Joneses" is found across income classes, sometimes even more so in lower-income communities and households. Furthermore, income inequality in an area or region is often a strong predictor of that population's tendency to engage in conspicuous consumption. Literature across disciplines (i.e., economic theory, social psychology, cross-cultural psychology, and marketing) has explored the relationship between income inequality and conspicuous consumption. The goal of this dissertation is to explore the role of both social and psychological motives in consumer decision making to understand how income inequality impacts luxury consumption. Previous literature has explored the impact of income inequality on conspicuous consumption. In this research, I examine the role of self-reported socioeconomic status and how it relates to conspicuous consumption. Furthermore, I explore the role of need for affiliation, and it's impact conspicuous consumption behaviours—how aspirational consumers are driven to spend more as a function of their desire to fit in with wealthier consumers. While previous literature examines conspicuous consumption in emerging economies, here I explore the cultural and individual differences underlying these prior findings. Lastly, I explore sex differences in conspicuous consumption across cultures, and hypothesize that while conspicuous consumption increases in emerging markets, sex differences should not change. The findings suggest the opposite of what I hypothesized: socioeconomic status increases the tendency to use conspicuous consumption. However, this is mediated by the need for affiliation which also increases with higher socioeconomic status. Finally, the data suggests that sex differences in conspicuous consumption are non-existent in emerging markets, a finding which opens a new avenue of research beyond the scope of the work already completed in this field.

Keywords: *luxury consumption; conspicuous consumption; status; income inequality; need for affiliation.*

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1 Introduction

Luxury brands and consumption have generated interest in both business and academic circles for many years. Within the business world, there is interest in the unprecedented growth of luxury consumption, especially in developing and emerging markets (such as China, India, and Brazil) where there is significant growth in the submarket of “affordable luxury.” Meanwhile, academics are largely concerned with the economic, material, social, and psychological needs that drive luxury consumption, especially when these are met at the expense of other, more important needs.

Early researchers have defined luxury goods and services as products which just using them alone, can bring prestige to the users (Grossman & Shapiro, 1988). But more recently the literature has taken to a broader definition of luxury brands where they “evoke exclusivity, have a well known brand identity, enjoy high brand awareness and perceived quality, and retain sales levels and customer loyalty” (Phau & Prendergast, 2001).

Present day luxury consumption is not limited solely to wealthy, elite consumers. Marketers of luxury brands have been pursuing growth across all areas of consumer markets, including consumers who may not have the same wealth as the customers around whom they originally built their brands. This extension of the luxury market has fueled its extreme growth. While COVID-19 may have stagnated some of that growth, by the end of 2021 the luxury market had already beaten its pre-COVID record as consumers rebounded from lockdowns (D'Arpizio & Levato, 2022), making the luxury market one of the largest growing retail sectors in the past decade with an expectation that it will hit 180% growth by 2025 (D'Arpizio et al., 2020).

According to Dhaliwal et al. (2020), people consume luxury products for a variety of reasons, including but not limited to: raising their social status(Kessous & Valette-Florence, 2019; Roux et al., 2017), socio-psychological benefits (Stathopoulou & Balabanis, 2019), the emotional benefits (Saran et al., 2016), their social identity (Kauppinen-Räisänen et al., 2018), “masstige” or prestige for the masses (Paul, 2015; Paul, 2019), conspicuous consumption (Makkar & Yap, 2018; Zhang & Zhao, 2019); social and cultural factors (Jain & Khan, 2017; Prentice & Loureiro, 2018), materialism or hedonism (Audrin et al., 2017; Dion & Borraz, 2017), income or perhaps lack thereof (Dubois & Duquesne, 1993; Kapferer & Laurent, 2016), knowledge of premium and luxury products (Roux et al., 2017; Zhang et al., 2019), and individual personality differences (Li et al., 2012). There are also specific product and brand functions that affect luxury product consumption such as exclusivity of the brand (Stathopoulou & Balabanis, 2019), quality of the product (Soh et al., 2017), and high brand equity (Hwang & Han, 2014). The motive to purchase luxury products can be functional, personal, financial, and social (Dhaliwal et al., 2020).

The purpose of this dissertation is to address both the academic and pragmatic (business and policy) side of luxury consumption. I offer a conceptual framework to understand luxury consumption and how people's financial and economic reality, as well as their social, cultural, and psychological differences, impact their use of luxury consumption, notwithstanding the functional needs of the product itself.

1.1 The Global Luxury Market: The Growth of Affordable Luxury

The global luxury goods market was an estimated US$459 billion in 2019; this number is expected to rise to at least US$600 billion by 2024 (Euromonitor Passport, 2020). With revenues dropping in early 2020 due to the COVID-19 pandemic, emerging markets in Asia (mostly due to luxury consumption in mainland China) and South America will see some of the highest spending in the post-COVID recovery period (Euromonitor Passport, 2020). This typically only includes more traditional or "true" luxury spending, typically seen as luxury products only few can afford.

Because true luxury is often unattainable, some luxury fashion houses have been marketing their products to a broader market (Kapferer & Valette-Florence, 2016). As such, many people have been turning to more "affordable" luxury. This term can be used to describe products/services which may not be true luxury the way Italian and French fashion houses may have imagined it, but rather indulgences within the reach of aspiring middle-class consumers. This may include brands such as Coach or Michael Kors, which offer an air of exclusivity, but still have a much lower price point than some other "true" luxury brands. Also included in the "affordable luxury" category are products which tend to have more premium positioning, such as organic foods, gourmet coffees, or good wines. Services that people use to treat themselves on occasion such as manicures, pedicures, and even massages are also seen as affordable luxuries (Euromonitor, 2016).

Globalization is a driving factor in luxury consumption, especially because in emerging markets, newly affluent consumers often use affordable luxury consumption to boost or maintain social status, as Veblen (1899) discusses in early literature on the topic; this will be discussed in more detail later in the paper. As this phenomenon has become more common, researchers have demonstrated interest in this topic through publications, with an extensive and growing body of work on luxury consumption as of 2012 in the consumer behaviour literature (Dhaliwal et al., 2020).

1.2 A Brief Introduction to Status and Luxury Consumption

Thorstein Veblen (1899) coined the term "conspicuous consumption" to describe the spending habits of a developing middle class with more disposable income. Buying luxury goods and services served to publicly display the economic power of this amassed wealth. Tale for example the watch market that has recently grown extensively. Why is it that people are spending tens of thousands of dollars (or more) on a watch, when they can see the time anywhere they look today. The purpose of a watch like this, can barely be considered for telling time. There is other value that a consumer gets from a watch like this, besides its functional use of time telling. This is the status one feels, when others recognize these well known watches and know how much was spent on that. This is conspicuous consumption, where someone spends money in a way to be seen.

Conspicuous consumption is merely one type of way in which consumers may engage is status and luxury consumption. However, Leibenstein (1950) recognized that even within luxury consumption, there were distinct types of consumer behaviors: some increase consumption when the price goes up (the "Veblen effect") also known as conspicuous consumption; others when the market is reduced (the "snob effect"); and yet others when the market increases (the "bandwagon effect"). Specifically, the bandwagon effect is defined as "the extent to which the demand for a commodity is *increased* due to the fact that others are also consuming the same commodity" (Leibenstein, 1950, p. 189). The bandwagon effect is a function of a consumer's desire to purchase products to be a part of something. They want to be like someone they desire to associate with, following similar fashion or style trends to those around them, so they can appear to be a part of the group (Leibenstein, 1950)

Signaling, a behavior used to convey information about the person signaling (Gal, 2015), can provide utility in some ways (Corfman et al., 1991), and while utilitarian explanations of signaling, dominated early economic literature, recent social and behavioural research provides a deeper understanding of this otherwise seemingly irrational behavior (Tversky & Kahneman, 1989; Corfman et al., 1991). Zahavi (1975) first suggested what is now known as the Zahavi principle or the handicap principle. A trait that may seem ostentatious and wasteful can prove useful from another perspective in that it allows one to signal something honestly to their peers, be it social status, economic status, or some other dimension of their character. From an economic perspective, this is known as secondary utility: even if consumers do not value the conspicuous goods, they are competing in a signaling race to demonstrate their capacity to pay for them. This behaviour therefore serves a secondary utilitarian purpose as the consumer benefits from this signaling (Amaldoss & Jain, 2005).

Sociology literature has explored the concepts of prestige and social interactions and its impact on attitudes and social capital (Bourdieu, 1984; Campbell, 1995; Rojek, 2000). Bourdieu (1984) in his book "Distinction: A Social Critique of the Judgement of Taste" acknowledges that we all are snobs. In his ethnography of France in the 1970s, he puts forward a theory on the relationship between taste and class. The upper class and cultural elites are the ones who have the "bourgeois" and more "legitimate" tastes. The working class have more popular taste, and the middle class has what he called the "middle-brow" taste. It is important to recognize the relationship between class and this idea of "taste," as well as how social class and lifestyle interact with each other, to understand status consumption today. Campbell (1995) pens a critique of Veblen and the idea of conspicuous consumption. He argues that Veblen's (1989) theory of conspicuous consumption does not allow for a clear definition, which therefore hinders research of the concept. Rojek (2000) takes a more empirical approach to redefining the "Leisure and the Rich Today" (Rojek, 2000). He argues that we should not assume, as Veblen (1989) suggests in his definition of the leisure class who engage in conspicuous consumption, that the present-day wealthy person rejects work. In fact, Rojek finds the opposite is true in that the richest people often work many more hours than average. The sociology literature is just one element of understanding prestige and status in the present day.

The Psychology literature goes beyond defining class difference through the way consumers behave, by also examining the influence of personality and individual differences on attitudes and behaviours as it relates to the self-concept and consumption (Holbrook & Hirschman, 1982; Fournier, 1998; Bagozzi et al., 1999). Holbrook and Hirschman (1982) look beyond a simple information processing model to understand consumers. They develop a framework to understand the experiential aspects of consumption, focusing on symbolism, hedonism, and esthetics. These are all fundamental aspects of status and luxury consumption, which they argue is in pursuit of "fantasies, feelings, and fun." Fournier (1998) develops a framework for understanding the diverse types of relationships people form with brands. She argues that the quality of these relationships is important to keeping consumers brand loyal, and that consumers often make purchase decisions as a function of these relationships. And finally, Bagozzi et al. (1999) go beyond relationships to emotions and how they impact consumer behavior. They argue that the emotional state of someone can influence their consumption behaviors and can have a wider impact on overall customer satisfaction. Essentially, there is abundant psychological research that explores how various psychological factors influence consumers in both positive and negative ways. This is important for understanding what drives consumers to take part in status and luxury consumption, be it the experience it offers (Holbrook & Hirschman, 1982), the relationship a consumer can have with a luxury brand (Fournier, 1998), or the emotional state someone is experiencing (Bagozzi et al., 1999).

Additionally, the marketing and consumer behaviour literature explores multiple dimensions of luxury consumption in a marketing context as it relates to personality characteristics (Braun & Wicklund, 1989; Kwan et al., 2004; Tepper, 2001; Tepper & McKenzie, 2001). Braun and Wicklund (1989) examine psychological precursors to conspicuous consumption in order to understand the relationship between a consumer's insecurity as they aspire to an identity they may not have (yet) attained, and their tendency to purchase status and luxury items associated with this pursued identity. The researchers found that a compensatory relationship exists between their personal experience, expertise, and competence that led to people using status symbols for the purpose of self-completion. Tepper et al. (2001, 2001a) developed a scale to understand the role of the need for uniqueness, a construct used to measure how unique people want to be from others around them, and how it can drive status and luxury consumption (while the need for uniqueness has been discussed, this is not to be confused with the need for affiliation, a construct used to measure how much people want to be affiliated with a group as opposed to being unique from them, a key variable in the current work).

Finally, recent literature across a wide range of disciplines (economic theory, social psychology, cross-cultural psychology, and marketing) has demonstrated that income inequality is another big driver of conspicuous consumption (Frank, 2007; Jaikumar & Sarin, 2015). This is consistent with many of the business reports previously discussed with the uptake of luxury consumption in emerging markets. Expansions of middle-class households, fueled by factors such as economic progress and increased discretionary spending, has created a class of aspirational middle-class shoppers looking to trade up as they try to fit in with their wealthier counterparts. This expansion is seen across the board, from consumers trading up to premium good in supermarkets, online retailers offering discounted prices (often on second-hand products), to fashion retailers positioning products at affordable prices and offering outlet shopping (Euromonitor Passport, 2016).

1.3 Research Objectives

The objective of this dissertation is to explore the role of both social and psychological motives in consumer decision making and to understand how luxury and conspicuous consumption manifests. I will develop a coherent cross-disciplinary understanding of income inequality and the impact of conspicuous consumption across the socioeconomic spectrum, considering the diverse types of conspicuous consumption (Veblen, snob, and bandwagon; Leibenstein, 1950) in both true and affordable luxury categories. Then, taking an empirical approach I will examine cross-cultural and individual differences in both developed and emerging countries. Specifically, I will examine the need for affiliation and its role in the relationship between perceived income inequality and conspicuous consumption, as well as how cultural values, such as indulgence and long-term orientation, may moderate that relationship.

It has been well established that people have a need to belong (Lee & Shrum, 2012). Throughout the social psychology literature, it is suggested that people use their material products to create that sense of belongingness (Charles et al., 2009; Glazer and Konrad 1996; Harriger, 2010; Hopkins & Kornienko, 2004; Bearden & Etzel, 1982). The main objective here is to demonstrate that bandwagon conspicuous consumption, especially for affordable luxury products, is used by people who, due to their need for affiliation, feel their sense of belongingness challenged by income inequality.

I begin this research with a critical review of the literature. I then conducted two studies. I begin with an exploratory phase in study one, where I use a mixed methods approach, to observe conspicuous consumption behaviors on Tinder in both Canada and Brazil. Then, for study two, the empirical work of this dissertation, I used a survey to collect data with experimentation built into the survey, collected in Canada and the USA. The survey consisted of questionnaires used to measure cultural differences as well as individual differences. Based on my hypotheses and the initial survey data collected, I collected experimental data by priming respondents with "social cues" to determine the causal effects (need for affiliation as a mediator with cultural determinants moderating the effect) of perceived income inequality and status on conspicuous consumption.

1.4 Research and Managerial Contributions of this Work

While scholars in the consumer behaviour field have more recently began studying these phenomena (Dhaliwal et al., 2020), the impact of income inequality on luxury consumption, conspicuous consumption, and the need to "keep up with the Joneses" has been widely discussed across many other disciplines for much longer (Frank, 1985; Hwang & Lee, 2017; Jaikumar & Sarin, 2015; Veblen, 1899). Frank's (1985) work established this idea of "keeping up with the Joneses," where people spend money they do not have just to belong. Jaikumar and Sarin's (2015) paper was one of the earlier papers looking at conspicuous consumption and income inequality in emerging markets, where these societal pressures may vary relative to developed markets. Hwang and Lee (2017) used this prior work to develop economic models that test these findings empirically with real household data.

While establishing that conspicuous consumption does relate to income inequality in emerging markets, the prior literature does not examine the relationship between emerging and developed countries. Furthermore, there is little attempt to understand the multiple factors underlying this phenomenon that can help make more sense of these findings. The purpose of this paper is to develop a model that demonstrates why conspicuous consumption is used more in emerging markets. Through this model, I establish clear boundary conditions where conspicuous consumption increases, as well as discuss specific products that are impacted. Specifically, I demonstrate how people's self-perceptions and the perceptions of inequality around them impact their shopping behaviors, what types of products this affects, and how cultural differences play a role in this spending.

As discussed, income inequality should have an impact on people's need to belong and therefore their need for affiliation. The primary goal is to understand how the need for affiliation is driving middle income people to increasingly spend on conspicuous goods (relative to their needs), especially when there are perceptions of inequality and lack of belongingness.

This work is important from both a policy and marketing perspective. Lower income households spend more on conspicuous goods, often at the expense of long-term savings and other important needs (i.e., healthcare, education, etc.), which can lead to increased consumer debt (Christen & Morgan, 2005). Understanding why this is the case can encourage and inform policy initiatives aimed at responsible spending and saving. During the COVID-19 pandemic, Brazil saw an increase in responsible spending and saving because there were less opportunities to engage in conspicuous consumption (Almeida & Martins, 2020). Finding ways to sustain this positive behavior in emerging markets can be especially important; however, this burden does not have to fall solely on policy makers, as firms can take a socially responsible approach to their marketing strategies to communicate differently, i.e., in a way that leads to less perceived income inequality and better spending behaviours. For example, ByteDance—the parent company of Chinese Tik Tok—recently announced that they have banned accounts which blatantly flaunt wealth, as it promotes "unhealthy values" (Sharma, 2021). They found that these wealth-flaunting accounts may be driving a large amount of consumer debt in China and decided to be a part of the solution. While there are, of course, political factors in China that may also influence this shift, it is still important to note because other social media platforms around the world can have similar effects, especially on teens and young adults.

2 Theoretical Foundations

The purpose of the literature review is three-fold: first, to take a critical approach in examining the state of the field; second, to attempt to resolve any ambiguities that may come up in the current discourse; and third, to synthesize the literature and provide a novel perspective (Boote & Beile, 2005). To that end, I will divide my literature review into two main parts: a review of the literature, which presents the full scope of the literature review across three groups of antecedents; and a critical examination of the existing body of literature around antecedents to luxury consumption. Then, I will review functional factors to provide context for their exclusion from the overall model.

I then synthesize through model development and discuss the marketing literature on luxury consumption in the context of the personal factors (e.g., income inequality), psychological factors (e.g., conspicuous consumption and need for affiliation), and socio-cultural factors (e.g., status differentiation, cultural norms, and socioeconomic status) that impact luxury consumption. I focus on the specific constructs used to develop the model and my hypotheses, describe constructs in detail, and justify their inclusion in the model. To understand the impact of income inequality on luxury consumption (and the negative impact it can have on households), it is important to understand the relationship between the need for affiliation and status and engagement in conspicuous consumption. Finally, I conclude with a synthesized model of income inequality and conspicuous consumption, as well as detailed hypotheses of this study (2.4).

Table 1

Summary of Theoretical Foundations

Subject	Author(s)	Year	Topics	Findings
Economics	Besley	1989	Utility	Compares the utility of a necessity to that of luxury products.
	Amaldoss & Jain	2005	Utility and consumption models	Proposes a monopoly model of conspicuous consumption using the rational expectations framework, with the aim of understanding how a desire for exclusivity and conformity drive purchase decisions.
Behavioral Economics	D'Arpizio et al.	2022	Irrationality of luxury consumption	Secondary utility can be obtained from the status gained from status and luxury consumption.
	Tversky & Kahneman	1989	Utility of irrational behaviors	Deviations from rational choice can be predicted in choice models
Sociology	Bourdieu	1984	Taste and class	The upper class and cultural elites are the ones who have the “bourgeois” and more “legitimate” tastes. The working class have more popular taste, and the middle class has what he called “middle-brow” taste.
	Campbell	1995	Conspicuous consumption as a construct	He argues that conspicuous consumption the way Veblen (1989) theorized does not allow for a clear definition.
	Rojek	2000	Empirical approach to defining the leisure class	The present-day wealthy person cannot be assumed to be rejecting work, as Veblen does when he defines the leisure class who engage in conspicuous consumption. In fact, he

Subject	Author(s)	Year	Topics	Findings
				finds the opposite is true—that the richest people often work many more hours than average.
Psychology and Marketing	Holbrook & Hirschman	1982	Experiential aspects of consumption	They develop a framework to understand the experiential aspects of consumption, which focuses on aspects of symbolism, hedonism, and esthetics of consumption.
	Fournier	1998	Brand relationships	The quality of the relationships that people have with brands are important to keeping consumers brand loyal, and that consumers often make purchase decisions as a function of these relationships.
	Bagozzi et al.	1999	Consumption and emotional states	The emotional state of someone can influence their consumption behaviors and can have a wider impact on overall customer satisfaction.
	Braun & Wicklund	1989	Psychological antecedents to conspicuous consumption	A compensatory relationship exists between their personal experience, expertise, and competence that led to people using status symbols for the purpose of self-completion.

2.1 A Review of Consumer Behaviour and Luxury Consumption

2.1.1 The Discipline-Based Approach to Understanding Antecedents to Luxury Consumption

Luxury consumption has been studied broadly across many disciplines, including economics, behavioural economics, sociology, and of course psychology and marketing. As discussed earlier, economists typically focus on the utility of a product, and when speaking of luxury as a concept, compare it to basic necessities (Besley, 1989). From a utilitarian perspective (which is a common perspective for economists), luxury products should not provide any functional utility and are therefore at odds with rational economic theory; however, we know that the luxury market is one of the fastest growing markets today (D'Arpizio et al., 2022).

In contrast, many behavioural economists have moved away from a purely utilitarian perspective (Tversky & Kahneman, 1974). Long before behavioural economics was a field of study, Veblen (1899) suggested that people use conspicuous consumption for one of two distinct reasons:

1) "Invidious comparison," whereby consumers want to differentiate themselves from people in a lower class; and
2) "Pecuniary emulation," whereby consumers look up at the class above them and try to imitate their behaviours to benefit from the association in terms of status gains.

This was the basis of further research on signaling and other behaviours, which has since developed into a full body of literature on status and luxury consumption. More details can be found in my literature review (Amaldoss & Jain, 2005, 2015; Chaudhuri & Majumdar, 2006; Corfman et al., 1991; Frank, 1985; Griskevicius et al., 2007, 2010; Jaikumar et al., 2016; Jaikumar & Sarin, 2015; Lens et al., 2012; Rook, 1987; Rook & Fisher, 1995; Saad, 2015; Wang & Griskevicius, 2014; Willman-Iivarinen et al., 2005).

As discussed earlier, in developing his model around "Veblen," "snob," and "bandwagon" effects, Leibenstein (1950) was one of the first to attribute high prices of luxury products to other external effects on utility. It was Zahavi (1975) who took the concept of utility and signaling and developed a theory explaining it. Taken from the animal kingdom, the Zahavian principle, also referred to as honest signalling, refers to a trait in an animal that may seem ostentatious or even counterintuitive from an evolutionary perspective but can signal good genetics. Take the peacock for example: their large tails are very noticeable and quite heavy, which is not ideal when trying to escape predators. However, the fact that a peacock is ostentatious in this manner is an honest signal of its genetic fitness—if it were not genetically fit, it would not survive the difficulties of this massive tail. The same can be said regarding status in consumers: using expensive luxury goods serves as an honest signal, one that often cannot be faked, of one's wealth and status in society (Griskevecius et al., 2007).

Consumers receive not only utilitarian benefits from their status gleaned through the purchase of luxury products, but also what is known as a secondary utility associated with luxury products. Even when people in the market do not necessarily value the conspicuous goods per se, they are constantly looking to signal their capacity to pay for these items. This benefits them throughout social and business interactions (Amaldoss & Jain, 2005a, 2005b). One of the reasons consumers purchase these conspicuous goods is to satisfy social needs, as luxury products can often serve as a proxy for status. Status conferred by conspicuous goods is beneficial in social interactions, where increased status allows people to associate with different social classes; these benefits can be found in business interactions as well, especially where status is relevant to the relationships people develop in the business context. People often prefer doing business in certain contexts, like real estate, with people who they perceive as being successful. Luxury cars, for example, can be a signal to this success.

Economic models are proposed as well: Amaldoss and Jain (2005) propose a monopoly model of conspicuous consumption using the rational expectations framework in order to understand how a desire for exclusivity and conformity drive purchase decisions. Using econometric modelling, their findings suggest that snobs have upward sloping demand curves in the presence of other consumers who are weak followers. They supported these findings in a follow-up laboratory experiment and developed pricing models based on the results. In a follow up paper, Amaldoss and Jain (2015) take these pricing strategies further and discuss branding strategies for luxury products based on the different sociocultural demands of different consumers.

In the discipline of sociology, as discussed in the earlier part of the introduction, there is also a large body of research specifically dedicated to conspicuous consumption (Bourdieu, 1984, 1990; Campbell, 1995; Trigg, 2001; Rojek, 2000; Chadhauri and Majumdar, 2006; Hilton, 2004; Canterbery, 1999) that explores the effect of group forces on attitudes and opinions. For example, Bourdieu (1984) explained his ethnography on developing tastes and the relationship between class and taste, and Campbell (1995) and Rojek (2000) presented their critiques on the idea of conspicuous consumption. Using this framework, sociology literature has expanded to further explore public vs. private consumption, reference groups, and the impact of pricing on consumption (Kastanakis, 2010). Chaudhuri and Majumdar (2006) developed a conceptual paper to further understand conspicuous consumption from a comtemporary marketing perspective. They discuss different antecedents of conspicuous consumption, including: ostentation and signalling, uniqeuness, and social conformity.

As alluded to earlier, the psychology and marketing research builds on these themes and explores luxury consumption as it relates to personality characteristics (Netemeyer & Burton, 1995; Kwan et al., 2004; Tepper, 2001; Tepper & McKenzie, 2001). Attitude and behaviour research has also delved into the topic of luxury consumption (Fournier, 1998; Bagozzi et al., 1999).

The consumer behaviour literature focuses on four key areas where research has investigated antecedents to luxury consumption (Dhaliwal et al., 2020): personal factors, psychological factors, socio-cultural factors, and other functional factors. While much of the research typically focuses on one area at a time, there must be a relationship between the varied factors driving luxury consumption. In the following sections I will discuss in greater detail the research done in each area.

2.1.2 Personal factors

In this section I will review the literature on personal factors which influence luxury consumption. While there are many personal factors discussed in the literature, I will keep this section focused on elements which relate to my specific research purpose. As such, this is a non-exhaustive but relevant list of personal factors that need to be understood and summarized before delving into my proposed model. I will be covering factors such as the amount of knowledge someone has on the category, the level of income and income distribution, individual personality factors that play into luxury consumption, people's level of materialism and need for status, and lastly the role of sex in status and luxury consumption. Personal factors such as personal knowledge of luxury brand (Chandon et al., 2016; Prentice & Loureiro, 2018; Zhang et al., 2020) and individual personality differences (Eastman et al., 2018; Eisend et al., 2017; Kauppinen-Räisänen et al., 2018) are typically found to have an impact on consumer behaviour when purchasing luxury products—knowledge about the sub-culture or a luxury brand along with certain personality types increase the likelihood of people making a luxury purchase. This will be discussed shortly.

The income variable is less clear, as generally the more income one has, the more they can afford luxury goods (Schultz & Jain, 2018; Willman-Iivarinen et al., 2005). However, there are some contexts where having less income can increase someone's propensity to consume luxury products (Jaikumar et al., 2016; Jaikumar & Sarin, 2015).

Knowledge: Knowledge of luxury goods typically has a positive impact on luxury goods purchase behaviours. Beginning with the idea of personal knowledge and how this can influence the purchase of luxury products, Chandon et al. (2016) elaborate on the concept of luxury in their introduction to the *Journal of Business Research* special issue on "Luxury Marketing from Tradition to Innovation." They discuss the idea of luxury and non-luxury products on a continuum, which includes inaccessible, intermediate, and accessible luxury (originally posited by de Barnier, Falcy, and Valette-Florence, 2012). This leads to an essential question: how should we conceptualize luxury products? They propose that one of the keys to understanding the concept of luxury is recognizing that it is heavily dependent on the relationship between luxury brands and their clients. More specifically, an appreciation of luxury is developed over time through education and acquired knowledge of codes, as well as through learning how to evaluate luxury. This makes sense intuitively—knowledge of luxury is itself a signal that an individual understands the symbolisms of the higher class, and this knowledge simultaneously distances them from the lower class (with whom they do not want to be associated). The relationships that people develop with brands and their knowledge around the brands' identities and cultures is a large component of what can drive people to consume luxury products. Although Chandon et al. (2016) do stipulate that, as luxury markets increasingly move online, this level of knowledge may no longer be as integral.

Furthermore, on the role of knowledge in understanding luxury consumption, Prentice and Loureiro (2018) discuss the role of customer engagement with luxury brands. Customer engagement is conceptualized as consumer purchase, referral, consumer influence, and knowledge (Kumar & Pansari, 2016). Prentice and Loureiro (2018) hypothesize that the desire for luxury products is positively associated with knowledge of the brand's products, and that this knowledge leads to feelings of subjective wellbeing. While the relationship to subjective wellbeing was not strong, knowledge of a brand's products is still a key factor in desiring luxury products. When examining more diverse marketplace, Zhang et al. (2020) explored the determinants of Chinese consumers' purchase intentions for luxury goods using the Theory of Planned Behavior (Ajzen, 1991). Using structural equation modeling, their findings suggest that consumers' knowledge about different luxury goods, measured by their recognition and understanding of different luxury brands, has a direct influence on luxury goods purchase behaviours. Lastly, earlier research has demonstrated that people who like luxury products tend to feel more knowledgeable about them in terms of expertise and familiarity with brands and their products (Alba & Hutchinson, 1987).

In summary, these are just some of the many studies which discuss the importance of knowledge on luxury consumption. Overall, findings suggest that there is a positive relationship between the personal factor of knowledge and the increased likelihood of purchasing luxury products.

Income: Intuitively, income is something that should have a positive relationship with luxury consumption, and there is much research to suggest that it does. Schultz and Jain (2018) have found that in emerging economies such as China and India, growing disposable incomes is driving a passion to indulge in luxury brands. Their findings suggest that as a culture, as Indian disposable incomes increase, consumers there are spending more on luxury brands. However, these findings are at the group level, not at the individual level: as the group's average disposable income increases, the overall indulgence in luxury consumption increases. As opposed to the individual need to "keep up with Joneses," these findings do not speak to which elements of luxury consumption are driven by an individual's increased disposable income. What is important to note is that as disposable income increases in an overall culture, so does the tendency to indulge in luxury consumption.

Zhang et al. (2020) highlight specifically that, while earlier studies often point to higher personal income increasing the likelihood to purchase luxury goods, more recent studies have found that many young consumers without any personal income are also luxury consumers. Tsai et al. (2013) observed that as many as 90% of Chinese students in the United States had previous luxury goods purchasing experience without any personal income. It is important to note that while household income is perhaps more relevant than personal income, especially with younger consumers, it was not always considered in the existing research. When Zhang et al. (2020) used household income instead of personal income, they found that household income does not have a significant direct effect on consumers' intent to purchase luxury goods; household income, however, is positively related to previous experience purchasing luxury products.

Using a regression model on data from the India Human Development Survey (2004-2005), Jaikumar and Sarin (2015) researched the impact of income inequality, which is often very high amongst Indian consumers, on conspicuous consumption across households in India. They found that amongst lower-income and rural populations (where income is often lower than bigger cities) consumers more likely to engage in conspicuous consumption. Jaikumar and Sarin (2015) posit that this is other status-signaling strategies, such as higher education and cultural events, are less accessible and less useful in this context. Overall, one of their key findings suggest that in places with increased income inequality consumers are more likely to spend money on conspicuous products relative to inconspicuous products as a percentage of overall spending (rather than absolute dollar amount). This finding was even higher for low-income households and those living in rural areas (Jaikumar & Sarin, 2015).

In summary, the findings suggest that while income is a factor that can drive luxury consumption, and there is some relationship between household income and luxury consumption, one does not necessarily need a high income to be driven to luxury consumption. Additionally, the existing research is not conclusive on the relationship between household income and the intent to purchase luxury products.

Sex: Prior research on the role of sex in luxury consumption is mixed. While females' luxury consumption is greater than males' overall, there is a larger growth in males' personal luxury consumption compared to females' growth (Bain & Co., 2012). The typical sex gap that was seen in luxury consumption has been decreasing. Roux et al. (2017) explores the values associated with luxury consumption and the role that sex plays with these values by leveraging social structure theory (Eagly & Wood, 1999). They hypothesize that elitism is a driving factor for males, more so than for females, to engage in both conspicuous and status consumption. However, females give more importance to refinement in luxury consumption relative to males. Their findings suggest that luxury consumption is not an exclusively female or male behaviour, as different sexes do not tend to have the same values driving their luxury consumption. Please note that while I have discussed their research more broadly, Roux et al. (2017) do offer alternative interpretations for their findings.

Evolutionary theory, for example, posits that there are evolved dispositions and adaptive mechanisms which influence luxury consumption across sexes differently. While I elaborate on the role of conspicuous consumption in more detail in the next section, it is proposed that conspicuous consumption is found in males more so than females, as it is a mating strategy where males attempt to capture a female's attention, leading to males competing with their challengers by displaying resources often sought by females. (Griskevicius & Kenrick, 2013; Saad, 2013).

Whether the role of sex is examined using a social structure theory, an evolutionary theory, or a combination of the two, it is well established that sex differences play a role in the consumption of luxury products.

2.1.3 Psychological factors

Conspicuous consumption: This is the act of spending so that others can see that you are spending substantial amounts of money—was first discussed by Veblen (1899) in the context of how people relate to members of a different class. It was later determined that there is a utilitarian value, known as secondary utility, in purchasing luxury products which can raise an individual's status and make them feel better. Zhang and Zhao (2019) found that adding conspicuous value to a luxury product increases purchase intention in consumers. Other research has found that conspicuous products are more likely to be purchased in a context where signalling resources can be a key factor, such as when signalling to a potential mate (Saad & Vongas, 2009; Wang & Griskevicius, 2014).

Saad and Vongas (2009) posit, using evolutionary psychology as a theoretical framework, that men use conspicuous consumption to signal their social status to potential partners. As a result, men's endocrinological responses, particularly testosterone levels, are sensitive to changes in their status due to behaviors around conspicuous consumption. In their first study, Saad and Vongas (2009) found that men's testosterone levels increased after driving an expensive sports car while dropping when driving an old family sedan. Furthermore, this finding was moderated by the location of the drive, where driving a sports car in public increased the effect of increased testosterone, relative to a semi-deserted highway. In their second study, they found that men's testosterone levels increased when their social status was threatened by a male confederate's wealth displays in the presence of a female moderator.

While the previous findings discuss the role of conspicuous consumption and status relative to males, conspicuous consumption is relative to females as well. Wang and Griskevicius (2014) propose that luxury products are used in signaling in a relationship context by females as well. While men use conspicuous luxury products to attract potential mates, women use similar types of luxury products to deter female rivals from their mates. They draw on both evolutionary and cultural psychology to position their research. Their findings suggest that when women felt the need to guard their mate, they were more likely to search for and show off luxurious products. They use these products as a signal to their rivals that their romantic partner is fully devoted to them. Not only do women use these strategies to protect themselves from rivals, Wang and Griskevicius (2014) found that this strategy worked. When women showed-off designer products such as handbags or shoes, they did deter other women from wanting to “steal” their partner. This is what Wang and Griskevecius (2014) described as conspicuous consumption being used between the sexes for differing strategies: a mate acquisition strategy versus a mate guarding strategy. The differential strategies relate back to the sexes’ differing mating needs as they relate to the minimal required investment as posited by the parental investment theory (Trivers, 1972; Buss, 1989). Essentially, while both sexes may use conspicuous consumption, the context for the use is different and relates to their current goals within mating. Males are more likely to use conspicuous consumption as a mate acquisition strategy, signalling their resources through purchasing expensive products in the hopes that these products will help them acquire a mate Females are more likely to use conspicuous consumption to guard their mate from being stolen by other interested females, signalling their male partner's devotion by showing off the luxury items he's purchased for them.

Power: Another psychological factor that influences luxury consumption is power (Chang et al., 2019; Eastman et al., 2018). Power distance is one of Hofstede’s (1983) cultural dimensions, and it relates to the way in which “society deals with the fact that people are unequal” (Hofstede, 1983, p. 625), or to what degree individuals desire to be told what to do by those above them (Madlock, 2012). When there is high power in a culture, people acknowledge that there is inequality in their culture (Swaidan, 2012), however status-based relationships are easier to maintain (Samaha et al., 2014). This is often because people who have status are more likely to have a greater number of opportunities, through colleagues and acquaintances, to further develop their resources. But in low power distance cultures, people with more power are more likely to share their power with others (Madlock, 2012) and thus create opportunities for more people. In general, people in cultures with high power distance are more likely to purchase status brands compared to those in cultures with low power distance (Kim & Zhang, 2014). People in high power distance cultures are also more likely to believe that consuming luxury products can increase your social standing (Tajfel & Turner, 1979). However, more recent work has extended this beyond just status seeking. Chang et al. (2019) argue that various levels of power also influence consumers' responses towards the corporate social responsibility (CSR) activities of luxury brands.

Attitudes: When it comes to attitudes towards luxury consumption, the literature has explored this concept in the context of what drives attitudes towards luxury products, as opposed to what drives attitudes towards counterfeit luxury products. The purpose of examining the literature on attitudes as it relates to both luxury consumption as well as counterfeit luxury consumption is to recognize the role of attitudes development towards products in the luxury consumption process. While there are differences in attitudes towards luxury as opposed to counterfeit luxury, my research only focuses on luxury consumption, the true Zahavian Signal (Zahavi, 1979). Kim et al. (2019) examined consumers' attitudes towards luxury brands and their relationship to customer equity and customer lifetime value in a Korean market. They found that both a need for the experiential element of luxury consumption and fashion involvement positively drives attitudes to luxury brands. It is positive attitudes to luxury brands which directly impact brand and customer equity (Jiang et al., 2019). Kim et al. (2012) extended the theory of planned behaviour to measure the effects of consumers' ethical and moral perspectives and how these impact their attitudes towards counterfeit brands. Their findings suggest that having positive ethical and moral perspectives had a negative impact on attitudes towards counterfeit luxury products. However, taking this further, negative attitude towards counterfeits has a positive relationship with purchase intention for luxury products (Kim et al., 2012).

Self-esteem: With regards to self-esteem, the literature suggests that there is a positive relationship with luxury consumption. Kessous and Valette-Florence (2019) explored luxury consumption across two contexts: second-hand luxury products and new luxury products. Their findings suggested that people will often purchase second-hand luxury products to aid in social climbing and will get a similar boost in self-confidence. Ma et al. (2019) explored the use of luxury products as protection given their symbolic benefits as, typically, the primary function of the luxury product is not to physically protect the consumer. They drew on earlier research from Shavitt (1990), who showed that luxury brands often provide symbolic benefits such as higher self-esteem and boosting self-confidence. But since luxury products are often perceived as exclusive (Godey et al., 2013), powerful (Ajitha & Sivakumar, 2017), and intimidating (Dion & Borraz, 2017), they provide a symbolic safety shield to create both social and psychological distance from others (Fiske et al., 2016). Ma et al. (2019) posit that luxury brands are able to have this symbolic meaning because brands allow people to get closer to those they want to emulate and distance themselves from those with whom they do not want to be associated.

Other psychological factors: When it comes to factors such as perception and hedonism, the findings are less clear as mixed results have been reported. Reviewing perceptions of luxury first, the literature suggests that while understated marketing meant to influence consumers' perceptions of luxury brands can lead to the purchase of luxury goods, that this is not always the case: there are instances where brands are too obvious in their attempt to influence consumers' perceptions, which can have the opposite effect. Recognizing that this is a function of how people see themselves in relation to the luxury brand is important. Sung and Phau (2018) found that when advertising for luxury brands, creating a sense of benign envy led consumers to perceive that the portrayal of social superiority is an expression of authentic pride; however, when the envy created was more malicious, consumers perceived social superiority as hubristic pride. This led to a reduction in the perceptions of luxury towards the brand. Essentially, it is important for luxury brands to be judicious about how they influence consumer perceptions around social superiority. While people want to associate with a higher social class, creating this level of envy, however benign, can have the reverse effect where people will want to associate less with people they envy. Lunardo and Mouangue (2019) found that, because luxury brands are designed to assist with status seeking, the retail experience is also important as the emotions related to the perceptions of luxury in the retail environment can lead to embarrassment for the consumer. While the perceptions of luxury may still be increased, consumers in this situation would be less likely to purchase if they are feeling embarrassed. As such, perceived luxury will not always increase consumers' likelihood to purchase, even in a status seeking context.

The findings on hedonism as it relates to luxury consumption are also mixed. While the ideas of hedonism can increase luxury consumption in some contexts, this will not always be the case. Hagverdt and Patrick (2009) find that when it comes to brand extensions into new product lines, demonstrating the promise of pleasure—or the hedonic potential of a luxury brand—will increase the expandability of a brand into newer products. This is especially true when compared to a luxury brand. These findings suggest that there is value in demonstrating the hedonic side of luxury consumption; however, Young and Combs (2016) found that when it comes to factors which influence repurchasing of luxury products, hedonistic perceptions of the brand do not increase repurchase intentions. While some research suggests that there is value in pushing for hedonistic perceptions and pleasure in a luxury brand, these perceptions alone do not drive repurchase decisions.

2.1.4 Socio-cultural factors

Recognizing the role of society and the culture around it is a key element of luxury consumption. As I discussed earlier, Veblen's (1899) theory of conspicuous consumption is centered on how people wanted to present themselves as a function of the class they were in. People want to signal status, or are influenced by cultural norms, religion, bandwagon, and snob reasons for consumption. The social value of luxury consumption, and of course the value of conforming with those around you, is important to discuss in the context of socio-cultural factors that also influence luxury consumption. Culture and the behaviour of a group of individuals can influence luxury buying behaviour of a consumer (Dhaliwal et al., 2020).

Bandwagon consumption: Kastanakis and Balabanis (2012) examined the impact of psychological factors on the likelihood to engage in "bandwagon" luxury consumption. Bandwagon effects occur in luxury markets when consumers buy certain categories of luxuries because of their popularity—that triggers further demand (Chaudhuri & Majumdar, 2006; Vigneron & Johnson, 1999). Kastanakis and Balabanis's (2012) results show that consumers' self-concept as it relates to others around them is what underlies "bandwagon" luxury consumption. This relationship is further impacted by predispositions to status seeking and the need for uniqueness. In later research, Kastanakis and Balabanis (2014) conceptualized that consumer behavior is impacted by normative influence, wherein individuals conform to the expectations of others.

Friendships: Given the social nature of status and luxury consumption, it is important to understand the role that friendships play as part of our deep dive into socio-cultural factors. Gil et al. (2017) explored the role of peer pressure and popularity in status and luxury consumption. The researchers investigated this amongst teens in Brazil. Their findings suggest that in Brazil, the way teenagers consumed status and luxury products around their friends had a positive effect on their attitudes towards luxury. This is an important finding, as rather than creating a negative attitude around the brands and products, it boosted attitudes towards luxury given what these luxury brands represent amongst friends. On the one hand, this finding may be true amongst all consumers and not just Brazilian teens, as most people want to relate to their friends in a positive way. On the other hand, these findings may be culturally dependent, as power distance is high in Brazil and people accept that there are different social classes and see this as a way for them to climb the social tiers (Hofstede, 1983; Madlock, 2012; Swaidan, 2012). This ties into the next section on why culture is so important in the context of status and luxury consumption.

Status seeking: This is another essential construct that needs to be discussed here: while status consumption is different from conspicuous consumption (O'Cass & McEwan, 2004), status consumption is the process of using products to either elevate one's social standing or display the status one already has. One way to facilitate gaining or displaying status is through conspicuous consumption: the overt and conspicuous usage of luxury products. Consumers feel good about the status these goods symbolize, especially when those around them also bestow this status. (Eastman, Goldsmith, and Flynn, 1999).

Status is the position in society that people in a group confer onto an individual, and it commands a sense of respect, consideration, and often envy (Dawson & Cavell, 1986). One way to achieve this status is through consumption or possessing certain products. Luxuries are just one type of product that has been used to symbolize status (Belk, 1988). This is because consumers often purchase, use, or even display these products to enhance their sense of self and to bring about desired relationships. Status alignment with people in a certain group is often used to develop business relationships as well; however, people pursuing status alignment for business purposes are looking to provide evidence, through their consumption, that they are deserving of the status conferred on them by the social group.

Belk (1988) further points out in his "extended self" theory that the possession of luxury brands—especially highly visible popular luxuries—serves as a symbolic marker of group membership. While much of the consumption behaviour has been discussed in the context of wealth, it is important to point out that people from developing countries often partake in elements of conspicuous consumption before securing food, clothing, and shelter (Belk, 1988). Status consumption also occurs across consumers regardless of income or even social class, as it can be used to climb the social hierarchy. This may be wise as a slow life history strategy for people from lower socioeconomic backgrounds to build up their status and create opportunities for themselves that they would not necessarily have without the associated status bestowed on them.

Need for affiliation: The socio-cultural factors discussed here are an integral part of understanding why need for affiliation is important. Need for affiliation is a personality attribute representing someone's desire for social belongingness (Veroff & Veroff, 1980). As much of the literature suggests, there is a strong social need built into status and luxury consumption. While luxury products can of course be used by people who have the resources to comfortably afford them, the literature exposes areas where people are often spending beyond their means. Research on brand communities has demonstrated that the need for affiliation can be satisfied through brand communities on social media websites, such as Twitter (Lopez et al., 2017). Research in the retail environment has demonstrated that shopping mall crowds can be a positive experience for people with a strong need for affiliation, as opposed to a negative experience for people who do not have a strong need (Rompay et al., 2012). And finally, in research on factors affecting attitudes towards private labels as opposed to promoted brands, the need for affiliation is one of the factors that drives positive attitudes towards promoted brands over private labels.

To summarize, the literature demonstrates that consumers' need for affiliation can be filled through consumption behaviors. Consumers join online brand communities, arrange social shopping trips, and purchase products to fill this need

2.1.5 Other functional factors

It is important to recognize that the behaviours I have discussed do not occur in a vacuum: there are, of course, functional factors as well, which influence people's behaviours around status and luxury consumption. In this section I discuss functional factors that lie outside the discipline of psychology which influence luxury consumption. While they are not part of my dissertation, they are important to consider as boundary conditions for future research within the model itself. These factors are price, quality, and branding. I make note of these because I do not want the reader to walk away wondering how it could be that basic functional factors do not influence luxury consumption.

There are unclear findings on how a products price (Kessous & Valette-Florence, 2019; Kapferer & Valette-Florence, 2019; Pham et al., 2018) and relative exclusivity (Kessous & Valette-Florence, 2019; Lunardo & Mouangue, 2019; Zhang & Zhao, 2019), and a brand's history and heritage (Kessous & Valette-Florence, 2019; Roux et al. 2017), country of origin (Kapferer, 2012; Paul, 2015), level of available customization (Godey et al. 2012; Kapferer, 2012) the creativity of the designers (Roux et al. 2017), and the utilitarian value (Stathopoulou & Balabanis, 2019; Kapferer & Valette-Florence, 2019; Kapferer, 2012) can affect luxury consumption. Brand prestige (Paul, 2015; Paul, 2018), brand equity (Hagtvedt & Patrick, 2009), brand image (Ryu et al., 2019), and brand prominence (Kapferer & Michaut-Denizeau, 2014) are found to be positive associated with the purchase of luxury products, while availability of counterfeits (Jiang et al., 2019) and brand penetration (Kapferer & Valette-Florence, 2018) negatively affects the purchase of luxury products.

In summary, while this is a broad area of literature, there are some elements that are gaining clarity through the research. Specifically, we know that there are personal factors that can impact the way people spend money on status and luxury goods. Factors such as knowledge of the brand and sub-cultures around status and luxury, as well as different personality factors, have been well established in the literature as having an impact on consumption (Chandon et al., 2016; Prentice & Loureiro, 2018; Zhang et al., 2020). For factors such as income, while there seems to be some effect, the nature of this effect is still unclear. There are mixed results across varying cultures and contexts which still need to be examined in the literature (Jaikumar et al., 2016; Jaikumar & Sarin, 2015). Finally, the literature demonstrates variance in how and why different sexes engage in conspicuous consumption, with males tending towards a mate acquisition strategy and females tending towards a mate guarding strategy. (Eagly & Wood, 1999; Griskevicius & Kenrick, 2013; Saad, 2013).

There are psychological areas which impact status and luxury consumption; for example, the tendency to use conspicuous consumption is heavily discussed in the context of status and luxury consumption (Saad & Vongas, 2009; Veblen, 1899; Wang & Griskevicius, 2014). Socio-cultural elements also impact status and luxury consumption (Chaudhuri & Majumdar, 2006; Kastanakis and Balabanis, 2012; Vigneron & Johnson, 1999).

There are many questions that remain in the literature. What is the role of income and socioeconomic status as it relates to status and luxury consumption? What role does sex have outside a mating context, and what else drives these commonly reported sex differences? Are these findings ubiquitous across cultures? And finally, how do different socio-cultural factors, such as fulfilling one’s need for status and belonging, impact an individual’s tendency to partake in status and luxury consumption? The goal is to answer these questions throughout this dissertation.

Table 2

Summary of Factors Influencing Status and Luxury Consumption

Factor	Author(s)	Year	Topics	Findings
Personal Factors				
Knowledge	Chandon et al.	2016	Luxury knowledge	Luxury is conceptualized by the relationship between brands and clients based on known symbols and knowledge codes.
	Prentice & Loureiro	2018	Customer engagement and luxury brands	Increased knowledge about luxury brands leads to increased desire, which in turn increases feelings of wellbeing.
	Zhang, Cude & Zhao	2020	Purchase intention of luxury goods	Using a diverse context, they modeled the role of knowledge about luxury goods based on recognition and understanding and found a direct impact on luxury consumption.
Income	Schultz & Jain	2018	Income and luxury consumption in emerging markets	Growing disposable incomes are driving a passion to indulge in luxury brands.
	Zhang, Cude & Zhao	2020	Income and luxury consumption in emerging markets	Many young consumers without any personal income are also luxury consumers.
	Tsai, Yang & Liu	2013	Chinese luxury consumption in the US	As many as 90% of Chinese students in the United States had previous luxury goods purchasing experience, without any personal income.
	Jaikumar & Sarin	2015	Income inequality and conspicuous consumption in Indian households	Low-income and rural populations are more likely to engage in conspicuous consumption due to

Factor	Author(s)	Year	Topics	Findings
				the diminished appeal of alternative status-signaling strategies.
Sex	Bain & Co.	2012	Sex differences in the luxury consumption market	Women's luxury consumption is greater than men's overall; there is a larger growth in men's personal luxury consumption compared to women.
	Roux, Tafani & Vigneron	2016	Sex differences in motivations for luxury consumption	Luxury consumption is not an exclusively female or male behaviour, since they do not have the same values driving their luxury consumption.
	Griskevicius & Kenrick	2013	Evolutionary sex differences in luxury consumption	Conspicuous consumption is found in males more so than in females, as it is a mating strategy where women attempt to capture attention, and this leads to men competing with their challengers by displaying resources often sought by women.
Psychological Factors				
Conspicuous consumption	Veblen	1899	Defined conspicuous consumption	The act of spending so that others can see that you are spending substantial amounts of money.
	Zhang & Zhao	2019	Value of conspicuousness to brands	Adding conspicuous value to a luxury product increases purchase intention in consumers.
	Saad & Vongas	2009	Conspicuous consumption and endocrinological changes	Male endocrinological responses, particularly testosterone levels, are sensitive to changes in their status due to behaviors around conspicuous consumption.

Factor	Author(s)	Year	Topics	Findings
	Wang & Griskevicius	2014	Conspicuous consumption and females	Males use conspicuous luxury products to attract potential mates; women use similar types of luxury products to deter female rivals from their mates.
Power distance	Hofstede	1983	Defined cultural dimensions	Power distance relates to the way in which "society deals with the fact that people are unequal."
	Madlock	2012	Defined power distance further	Power distance relates to what degree individuals desire to be told what to do by those above them.
	Swaidan	2012	Power distance and inequality	In high power cultures, people acknowledge that there is inequality in their culture.
	Samaha, Beck & Palmatier	2014	Power distance and social status	In high power cultures, status-based relationships are easier to maintain.
	Kim & Zhang	2014	Power distance and consumer behavior	In cultures with high power distance, people are more likely to purchase status brands compared to cultures with low power distance
Attitudes	Kim et al.	2019	The experiential aspect of luxury consumption	Both a need for the experiential element of luxury consumption and fashion involvement positively drives attitudes towards luxury brands.
	Jiang et al.	2019	Brand and customer equity	Positive attitudes towards luxury brands directly impact brand and customer equity.

Factor	Author(s)	Year	Topics	Findings
	Kim et al.	2012	Attitudes towards luxury	Positive attitudes towards luxury goods have a positive relationship with purchase intention.
Self-esteem	Kessous & Valette-Florence	2019	Luxury consumption across new and used purchases	People will often purchase second-hand luxury to aid in social climbing and will get a similar boost in self-confidence
	Ma et al.	2019	Luxury products as protection	Luxury brands can have this symbolic meaning of protection because brands allow people to get closer to people, they want to be like and distance themselves from those with whom they do not want to be associated.
Perceptions	Sung & Phau	2018	Perceptions of luxury advertising	When advertising for luxury brands, creating a sense of benign envy led consumers to perceive that the portrayal of social superiority is an expression of authentic pride; however, when the envy created was more malicious, consumers perceived social superiority as hubristic pride.
	Lunardo & Mouangue	2019	Perception in the retail environment	The retail experience is also important, and the emotions related to the perceptions of luxury in the retail environment can lead to embarrassment for the consumer. As such, perceived luxury will not always increase the likelihood of

Factor	Author(s)	Year	Topics	Findings
				consumers making a purchase, even in a status seeking context.
Hedonism	Hagverdt & Patrick	2009	Hedonistic desires in brand extensions	Demonstrating the promise of pleasure, or the hedonic potential of a luxury brand, will increase the expandability of a brand into newer products.
	Young and Combs	2016	Determinants of brand repurchasing	When it comes to factors which influence repurchasing of luxury products hedonistic perceptions of the brand do not increase repurchase intentions in luxury brands.
			Socio-cultural Factors	
Bandwagon consumption	Kastanakis & Balabanis	2012	Likelihood to engage in bandwagon consumption	Consumers' self-concept as it relates to others around them is what underlies "bandwagon" luxury consumption.
	Kastanakis and Balabanis	2014	Conceptualization of bandwagon consumption	Conceptualized that consumer behavior is impacted by normative influence wherein individuals conform to the expectations of others.
Friendships	Gil et al.	2017	The role of friendships in status and luxury consumption in Brazil	The way teenagers consumed status and luxury products around their friends had a positive effect on their attitudes towards luxury.
Status consumption	O'Cass & McEwan	2004	Difference between status and conspicuous consumption	Status consumption is using products to gain/display status to elevate one's social standing. One way to facilitate gaining status or

Factor	Author(s)	Year	Topics	Findings
				displaying status is through conspicuous consumption, the focus on the overt and conspicuous usage of luxury products.
	Eastman, Goldsmith & Flynn	1999	Observers of status consumption	The user feels good about their consumption and the people observing them also bestow status.
	Belk	1988	Extended Self Theory	Luxuries are just one type of product that has been used to symbolize status. Consumers often purchase, use, or even display these products to enhance their sense of self and bring about desired relationships.
Need for affiliation	Veroff & Veroff	1980	Conceptualized the need for affiliation	Need for affiliation is a personality attribute representing someone's desire for social belonginess.
	Lopez, Sicilia & Moyeda-Carabaza	2017	Brand communities	The need for affiliation can be satisfied through brand communities on social media websites, such as Twitter.
	Rompay et al.	2012	Retail environment	Shopping mall crowds can be a positive experience for people with a strong need for affiliation, and a negative experience for people with a weak need for affiliation.

2.2 Developing a Model to Understand Income Inequality and Luxury Consumption

In this section, I will build on this literature and highlight additional research on which I build out my model and hypotheses. I will demonstrate that many of these factors cannot be taken in isolation but work together to impact status and luxury consumption in separate ways.

Specifically, I will focus on income inequality and socioeconomic status and how they drive conspicuous consumption by creating a stronger need for affiliation. It is important to note that this hypothesized relationship between socioeconomic status and conspicuous consumption can also be dependent on cultural aspects of consumers.

2.2.1 Model Introduction

Previous research has examined many of the antecedents to status and luxury consumption, as well as group differences across several factors. However, in this model I look to understand the interplay or the relationship between some of these variables, particularly variables where prior literature has had mixed findings as to their effect on luxury consumption. This is especially true since diverse types of consumers have divergent backgrounds and experiences and cannot be treated as a homogenous group.

2.2.2 Description of Variables

2.2.2.1 Socioeconomic Status.

The first variable included in the proposed model is socioeconomic status. Intuitively, one would think that the ability to purchase luxury goods would be dependent on whether one can purchase said products; however, as discussed previously, income alone is not a clear predictor of luxury consumption behaviours (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015). As such, I look to understand the role of socioeconomic status and how it may impact status and luxury consumption. I am using socioeconomic status because using only income would not be as insightful in this context; however, I do control for low income and high income. Furthermore, in exploring socioeconomic status, I compare both current and childhood socioeconomic status to control for the environment of the individual's upbringing and not their current emotions. As children with higher socioeconomic status often have better outcomes throughout their lives (Luo & Waite 2005), I have included a measure for both current and childhood socioeconomic status to control for different life experiences people may have as a function of childhood socioeconomic status. Given the inconsistencies in the findings around income and luxury consumption (Dhaliwal et al., 2020), I hypothesize that it is not level of income that is driving luxury consumption for the goal of attaining status, but rather perceived socioeconomic status and a person's drive to climb socially to a higher status.

2.2.2.2 Conspicuous Consumption.

One way to attain status through consumption is by utilizing conspicuous consumption. In the model, I look to conspicuous consumption as purchasing or using luxury products for the purpose of displaying them to others. The precursor to attaining status through luxury consumption is being able to “show off” your products to people around you, thereby demonstrating your social class belongingness (Liebenstein, 1950; Saad, 2013; Veblen, 1899; Zahavi, 1976).

2.2.2.3 Need for Affiliation.

Need for affiliation is a personality attribute representing someone’s desire for social belonginess (Veroff & Veroff, 1980). In this model, I posit that some of the reasons consumers engage in conspicuous consumption are signaling status and affiliation (O'Cass & Frost, 2002). The tendency to flaunt status often comes from a need for a belongingness, in this case conceptualized as a need for affiliation. People who come from a lower socioeconomic status often feel that they want to belong to a higher social class; as such, they may feel a stronger need for affiliation which drives them to use conspicuous consumption in a way that may benefit them from a status perspective but can still be counter-intuitive and work against them from a personal finance perspective.

2.2.2.4 Sex

As discussed in the literature review, regardless of the theoretical lens you use to explore the role of sex, there is clear evidence that it plays a significant role in the consumption of luxury products (Buss, 1999; Eagly & Wood, 1999; Griskevicius & Kenrick, 2013; Roux et al., 2016; Saad, 2013). As such, it is important to control for this in the proposed model.

2.2.2.5 Other Control Variables.

Income: As per my discussion on income above and given the complexity of the literature in this area, I control for income: the range of household incomes I use is between \$65,000 and \$100,000 CAD, centered around the median household income in Canada (and similarly in the USA sample). This is to control the sample to exclude high-net-worth individuals and households who utilize status and luxury consumption in a vastly different manner (Jaikumar & Sarin, 2015; Zhang et al., 2020).

2.3 Proposed Hypotheses

The initial goal of the model is to establish that earlier findings in the literature which do not have mixed results, specifically as they relate to sex differences in status and luxury consumption, are in fact found in real world contexts. As discussed previously, sex can have an impact on whether people are likely to use conspicuous consumption, as males are more likely to use conspicuous consumption than females, while females will often use it in very specific contexts (Buss, 1999; Eagly & Wood, 1999; Griskevicius & Kenrick, 2013; Roux et al., 2016; Saad, 2013). Given that many of the findings on sex differences are found in the context of mating strategies, I decided to explore online dating apps to determine whether the previous findings stood in a real-world context. Specifically, I explore the finding (Griskevicius & Kenrick, 2013) that in mate acquisition, males are more likely to use conspicuous consumption relative to females (as opposed to mate guarding, where females are more likely to use conspicuous consumption).

Online self-presentation is carefully managed by people to assist in finding a mate (Toma & Hancock, 2010). Examining the content of personal ads prior to online dating demonstrates which characteristics are important to potential mates. Prior research has found that sex is a strong predictor for content in an online personal ad, where females were most likely to seek attributes relating to resources, for example a stable job or high income (Deaux & Hanna, 1984; Gonzales & Meyers, 1993; Hatala & Prehodka, 1996). As such, I posit that this signaling of status and luxury through conspicuous consumption will be stronger for males relative to females:

H1: In the real-world context of online dating apps, males will be more likely to use conspicuous consumption than females.

The next goal is to understand the impact of culture in this context. As discussed previously, power distance (Hofstede, 1983) also has an impact on the way people use conspicuous consumption: in high power cultures, status-based relationships are easier to maintain (Samaha et al., 2014), but in low power distance cultures, people with more power are more likely to share their power with others (Madlock, 2012). Power distance is high in Brazil—people accept that there are different social classes and see this as a way for them to climb the social ladder (Madlock, 2012; Samaha et al., 2014). As stated earlier in the literature review, people in cultures with high power distance are more likely to purchase status brands (Kim & Zhang, 2014) and are more likely to believe that consuming luxury products for status can increase your social standing (Tajfel & Turner, 1979) compared to those in cultures with low power distance. It follows, then, that conspicuous consumption is likely to be more prominent in Brazil relative to western cultures like Canada and the US.

As discussed above, in Brazil, teenagers consumed status and luxury products around their friends which has a positive overall impact. It is very common, relatively speaking for teenagers in Brazil to engage in conspicuous consumption around their friends. This is important to note here as well, to highlight that in Brazil, even at an early age, conspicuous consumption is more common (Gil et al., 2017).

Furthermore, low socioeconomic status consumers, as many Brazilians are (IBGE, 2018), often demonstrate their status through conspicuous consumption. O'Cass and Frost (2002) define conspicuous products as: exclusive, scarce, and costly. Consumers engaging in conspicuous consumption are signaling status, affiliation, and achievement (O'Cass & Frost, 2002). Brazil has a population of 200 million compared to 36 million in Canada. Nevertheless, Brazilian GDP and education rates tend to be lower than those in Canada. Brazilian GDP per capita is $9,821 USD, compared to $45,032 USD for Canada. Furthermore, 11.4% of the Brazil population is illiterate, compared to only 1% of Canada's population (Statistics Canada, 2018; IBGE, 2018). These statistics demonstrate that Brazil may have a socio-economic environment where conspicuous consumption is used to signal belongingness to a higher SES group. Considering these disadvantages, I posit that Brazilians' tendency to flaunt status comes from a need for dignity and belongingness, as well as their higher power distance as a culture with a score of 69 (Hofstede-insights, retrieved 2022). Research (in the retail realm) by Barki and Parente (2010) found that Brazil's poorest consumers value abundance and dignity (which Brazilian consumers often perceive as lacking). Furthermore, they found that there are deeply rooted cultural tendencies to flaunt status in Brazil, where there is greater inequality (ABEP, 2022). As such, I posit that:

H2a: Conspicuous consumption is seen at a higher rate in Brazil, relative to developed markets like Canada and the US.

H2b: While there are still sexual differences in conspicuous consumption, this effect will be muted in Brazil, relative to developed markets like Canada and the US.

After demonstrating sex and culture's effects on conspicuous consumption, I explore the deeper underlying reasons behind some of these effects. Income and its relationship to conspicuous consumption is still not truly clear (Jaikumar et al., 2016; Jaikumar & Sarin, 2015; Schultz & Jain, 2018; Willman-Iivarinen et al., 2005). The next goal of the model is to establish that income inequality measured by lower socioeconomic status does, in fact, broadly impact luxury consumption, and more specifically impacts conspicuous consumption and the need to signal status. Much of the current literature demonstrates that there is an increase in conspicuous consumption in emerging markets, as emerging markets have greater access to both luxury products and capital (Jaikumar et al., 2016; Jaikumar & Sarin, 2015).

Based on the literature discussed above, income itself is an unclear positive antecedent for status and luxury consumption (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015), and status and luxury consumption is often used by people with low income and lower social class membership. As such, I posit that conspicuous consumption is used more often by people with a lower SES (specifically conspicuous consumption as opposed to solely expensive products with no conspicuous value). Therefore:

H3: Lower (higher) self-perceived socioeconomic status (SES) will have higher (lower) usage rates of conspicuous consumption.

Next, I want to explore why consumers with lower socioeconomic status and higher income inequality are more likely to use conspicuous consumption, as this may help explain some of the mixed findings from earlier in the literature (Jaikumar et al., 2016; Jaikumar & Sarin, 2015; Schultz & Jain, 2018; Willman-Iivarinen et al., 2005). I also seek to better understand what drives people to spend money they often do not have on products they do not need. To demonstrate this, I have developed a mediation model (Figure 1), with need for affiliation mediating the relationship between SES and conspicuous consumption. Need for affiliation is a personality attribute representing someone's desire for social belongingness (Veroff & Veroff, 1980). Given the strong socio-cultural determinants of status and luxury consumption, it is evident that there is a social element that drives people's status and luxury consumption (Belk, 1988; Chaudhuri & Majumdar, 2006; Katsanakis & Balabanis, 2012; Katsanakis & Balabanis, 2014; O'Cass & McEwan, 2004; Vigneron & Johnson, 1999). It may be the need for affiliation that most people have which drives the need for those with lower incomes to spend what they cannot afford. My goal is to demonstrate that the need for affiliation is the reason income inequality increases conspicuous consumption usage. I posit that both perceived and actual income inequality increases people's need for affiliation, which will lead to an increase in conspicuous consumption.

Given that earlier research has suggested that people with lower income and socioeconomic status are more likely to strive to affiliate themselves with a higher social class (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015), the fourth hypothesis is as follows:

H4: Lower (higher) perceived socioeconomic status relative to peers will increase (decrease) the need for affiliation.

Extending this further, status and luxury consumption is used as a social cue to signal group membership (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015). The desire that people with a lower SES often have for associating themselves with people from a higher social class may be driven by their need for affiliation. As such, given the role of status and luxury consumption in potentially fulfilling this need for affiliation, it alone should have a positive effect on the use of conspicuous consumption (even if unrelated to socioeconomic status). Therefore, the fifth hypothesis is:

H5: Higher (lower) need for affiliation will increase (decrease) the use of conspicuous consumption.

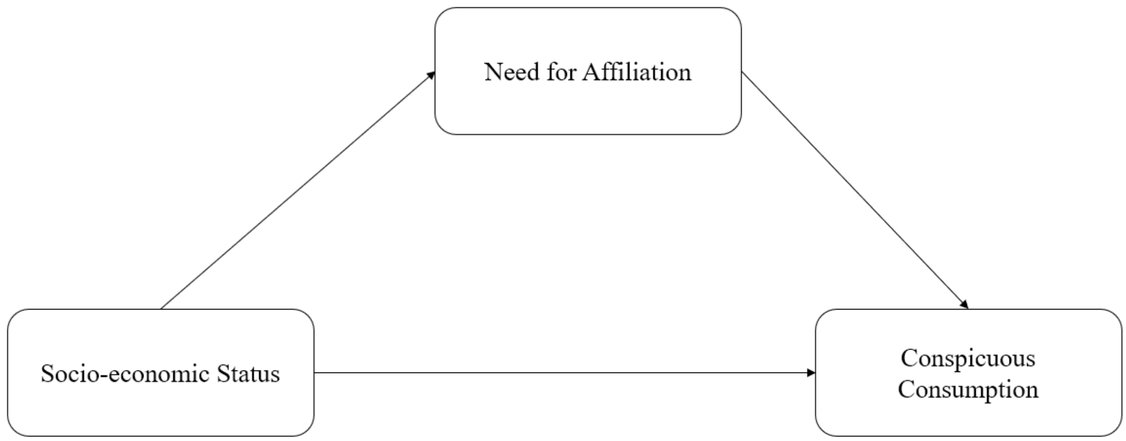
Finally, given the hypothesized relationship between socioeconomic status, need for affiliation, and status and luxury consumption, I propose the following mediating effect, and the sixth hypothesis:

H6: Need for affiliation mediates the relationship between perceived socioeconomic status and the use of conspicuous consumption.

Based on the above hypotheses, I propose a model to understand how income inequality influences the use of conspicuous consumption. Males are typically more likely to use conspicuous consumption as opposed to females. The relationship between sex and conspicuous consumption is moderated by cultural differences often found as a function of the market type, across emerging and developed countries, where in emerging markets, the sense of isolation is stronger, but the growth of the middle class and the need to feel a part of it is also getting stronger. As hypothesized earlier, consumers often use material goods to develop a better sense of belongingness; as such, self-perceived socioeconomic status is also a factor in driving conspicuous consumption, and this is moderated by both sex and culture. Since consumers are using conspicuous consumption to gain a stronger sense of belongingness and a desire for affiliation, the need for affiliation mediates the relationship between socioeconomic status and conspicuous consumption.

Figure 1

Proposed Mediation Model



The proposed model for income inequality and luxury consumption, based on socio-cultural and psychological needs, is comprehensive, grounded in the literature, and relevant to this topic in a practical way. The purpose of this model is to explain the unintuitive concept that people with less income may end up spending more on luxury products based on their cultural and psychological needs. The remaining sections will focus on testing this model empirically.

3 The Research

The research in this dissertation involved two studies. The first study used a mixed methods approach and was run in two stages. The first stage was run using a Canadian sample to test the initial hypothesis: *In the real-world context of online dating apps, males will be more likely to use conspicuous consumption than females.* The intention of study two was to confirm the findings in study one and extend the context to Brazil in order to understand the role of culture in status and luxury consumption. The findings in study one then helped me move beyond the literature to explore some testable hypotheses by using a survey and experimental design in the second study: a full survey across Canada and the US to examine the relationships discovered in my initial exploratory work. Study two also included an experimental manipulation to determine if it is possible to manipulate some of these variables and determine the causal impact of culture in the relationship between income inequality, the need for affiliation, and conspicuous consumption.

3.1 Mixed Methods Study 1

Mate selection can be an extremely competitive process. As such, self-presentation is key to finding a mate (Toma & Hancock, 2010). Conspicuous consumption (CC) is one method used to signal important characteristics to a potential mate (Griskevicius et al., 2007; Saad, 2007; Wang & Griskevicius, 2014). Previous literature has examined the effects of biological sex on self-presentation in a laboratory environment (Griskevicius et al., 2007). In study one, I explore self-presentation in a real-world setting, specifically using Tinder profiles. The use of Tinder (amongst other online dating platforms) has become ubiquitous in young adults and is an interesting context to explore status and luxury consumption in a real-world setting.

The purpose of Study 1a, was to assess if there are, in a real-world setting, sex differences in the way consumers present themselves or signal using conspicuous consumption. This is done first using Canadian Tinder profiles.

Next, using the same context, Study 1b explored behavioural differences in luxury consumption between emerging and developed countries. For this, I gathered profiles in Canada and Brazil. I used dating app profiles as a context because signaling behaviour is quite common with people looking for mates. I selected profiles across both Canada and Brazil because of the difference in income inequality across the two populations.

3.1.1 Study 1a

Research on conspicuous consumption as a mating strategy suggests that this signaling behavior manifests differently across sexes. Males tend to display conspicuous consumption as well as cues for social status, ambition, and material resources, whereas female profile pictures portray physical attractiveness and youthfulness (Griskevicius et al., 2007; Mikloušić et al., 2017). Furthermore, Wang et al. (2017) found that an increase in annual income impacts male attractiveness to females. As such, this context is set up to test the first hypothesis, that males use conspicuous consumption more so than females.

Methods 1a. One hundred and seventeen (57 male, 60 female) Tinder profiles were collected at random in the downtown core of a large Canadian city. The average age for male profiles was 25.12 and the average age for female profiles was 24.7. Two coders were asked to rate the Tinder profiles on multiple characteristics including: their body type, based on the CDC scale which uses 18 images (see appendix for coding materials, Ettarh et al., 2013); whether they were searching for a short- or long-term relationship (identified using online dating terminology such as "no hookups," "serious only," or on the other side of the spectrum "travelling and looking for a good time," etc.) (Buss & Schmitt, 1993); and of course, the coders' perceptions of the level of conspicuous consumption being displayed in the profile picture. This was measured by using a short conspicuous consumption scale for each profile (see Appendix 3; Griskevicius et al., 2007). The coders were trained on what to look for but were not told the purpose of this study. The inter-rater reliability was calculated using Cohen's kappa, and there was a moderate agreement across both raters (κ=.44 to .62 across all measures). Given the context, this moderate level of agreement was considered strong enough.

Results 1a. The data analysis began by taking an average score across the two coders for each of the variables that they coded for as seen in Table 3. With regards to conspicuous consumption in the online dating profiles, the level of conspicuous consumption in male profiles (M = 1.64) was then compared to the level of conspicuous consumption in female profiles (M = 1.05) using an independent samples t-test. While both male and female profiles were rated relatively low on a scale with a maximum score of seven, males were still ranked higher in their displays of conspicuous consumption (t = 1.85, $p<.05$).

Table 3

Conspicuous Consumption on Canadian Dating Profiles

	Male		Female		t	p	Cohen's D
	M	SD	M	SD			
Conspicuous consumption	1.64	1.78	1.05	1.71	1.85	<.05	1.75

3.1.2 Study 1b

The next phase of Study 1 added to these initial findings on sex differences by examining the role of culture in a similar real-world context. As hypothesized earlier, the use of conspicuous consumption on dating profiles should be higher in Brazil across both males and females; however, given earlier findings, it is expected that conspicuous consumption will be used more so by males than females, while Brazilian females will use considerably more conspicuous consumption relative to Canadian females.

Methods 1b. In addition to the 117 profiles used in the first phase of this study, another 100 profiles (50 male, 50 female) were collected at random in Brazil on Tinder as well. The average age for male profiles was 22.32 and the average age for female profiles was 27.64. Two Brazilian coders were used. This was important, given that there is a cultural element to dating profiles and conspicuous consumption, and Brazilian coders were needed to understand the cultural and contextual cues. They used the same code book as the Canadian coders and had it back translated to Portuguese. The inter-rater reliability was calculated using Cohen's kappa, and there was a moderate agreement across both raters (κ = .5 to 6 across all measures). Given the context, this moderate level of agreement was considered strong enough.

Results 1b. The data analysis began by taking an average score across the two coders for each of the coded variables, as seen in Table 4. First, conspicuous consumption was examined on average across Canada and Brazil. Brazilians (M = 3.15) compared to Canadians (M = 1.33) were more likely to demonstrate conspicuous consumption on dating profiles (t = -7.93, p<.00).

Table 4

Conspicuous Consumption on Dating Profiles Across Canada and Brazil

	Canada		Brazil		t	p	Cohen's D
	M	SD	M	SD			
Conspicuous consumption	1.33	1.77	3.15	1.6	-7.93	<.00	1.69

Next, sex differences were examined across both the Canadian and Brazilian profiles. Unlike the Canadian sample discussed previously, there was no significant difference between Brazilian males' usage of conspicuous consumption on their dating profiles (*M* = 2.95) and their female (*M* = 3.35) counterparts as seen in Table 5.

Table 5

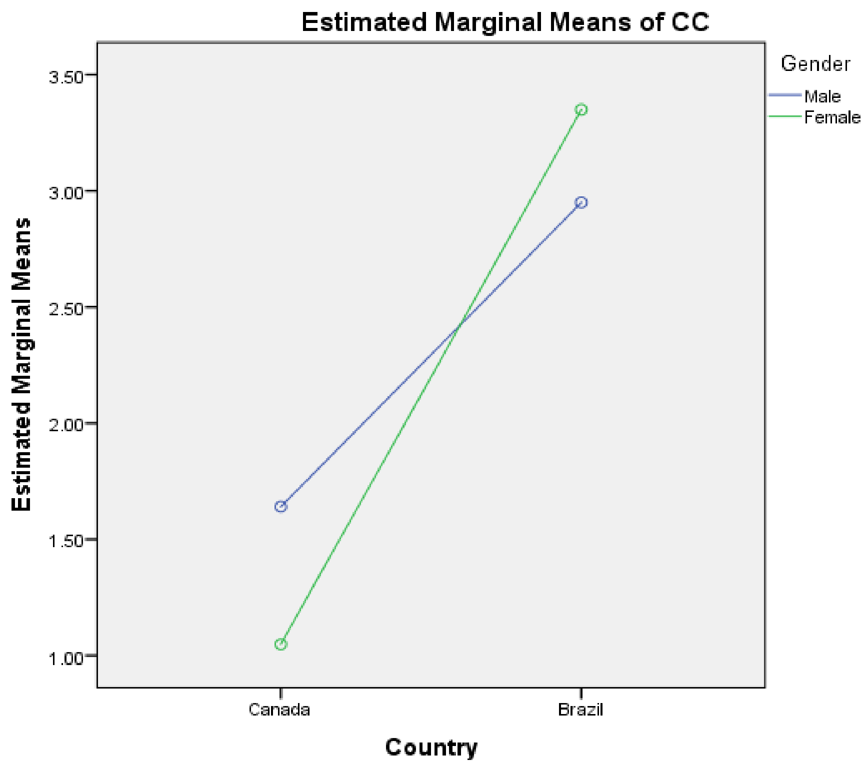
Conspicuous Consumption on Brazilian Dating Profiles

	Male		Female		T	p	Cohen's D
	M	SD	M	SD			
Conspicuous consumption	2.95	1.4	3.35	1.76	-1.26	>.05	1.59

Finally, to demonstrate that culture moderates the relationship between conspicuous consumption and sex differences, I looked at the interaction effect of both country and sex. As expected, our interaction effect was significant (F = 4.74, p<.05; Figure 2), which suggests that Brazilians are still more likely to use conspicuous consumption on dating profiles as a function of their cultural differences to Canadians.

Figure 2

Interaction between Conspicuous Consumption and Country



Discussion. The findings in Study 1a across dating profiles were as predicted: males were more likely to use conspicuous consumption in their profiles compared to females. This is in line with much of the previous research and should not be surprising. Vaanholt et al. (2018) also found this effect for salary earnings: females rated men who earn more as more attractive. The purpose of this study was to demonstrate that conspicuous consumption is used in a real world setting more so by males than by females and confirms earlier findings in the literature (Griskevicius et al., 2007; Saad, 2007; Wang & Griskevicius, 2014).

As predicted, the findings in Study 1b suggest that in a mating context on the dating app, Brazilians were more likely than Canadians to use conspicuous consumption, and the sex differences were muted in Brazil. Essentially, Brazilians (who are emerging market consumers) appear to use conspicuous consumption significantly more so than Canadians (who are developed market consumers) as a function of their cultural differences, and this leads to no significant difference in conspicuous consumption usage across males and females.

There are countless studies that demonstrate sex differences in conspicuous consumption, and many of these studies show that males are much more likely to engage in conspicuous consumption (Buss, 1999; Eagly & Wood, 1999; Griskevicius & Kenrick, 2013; Roux et al., 2016; Saad, 2013). In this study, this concept was "taken out of the lab" and explored in a real-world dating context.

The previous research supports our findings that in Canada (Western cultures), conspicuous consumption is used to signal access to resources and status, specifically because it is an honest signal to potential female partners that one can support and take care of future offspring. However, in Brazil our findings show that males and females may both use conspicuous consumption (albeit perhaps for distinct reasons).

The next step in this project aims to understand this cultural difference. What drives this need to use conspicuous consumption more in Brazil relative to Canada, especially for females?

3.2 Experimental Study 2

Building on the key findings of Study 1, the purpose of the experimental study is to explore these cultural differences in the way people use status and luxury consumption. Firstly, while the previous study confirmed the findings in a real-world dating context, the goal here is to remove the mating context completely and explore whether there are similar findings when that context is removed. Secondly, as discussed in the literature review, there are many factors here that may potentially be at play in driving these differences across cultures. This includes perceived feelings of inequality as it relates to income and socioeconomic status, the role that need for affiliation plays in driving status and luxury consumption, and finally whether consumers are engaging in conspicuous consumption to feel a stronger sense of belonging, especially across cultures.

Furthermore, this research explores whether perceived income inequality and, by extension, the need for affiliation can be manipulated in a way to drive consumers to spend more on status and luxury products. If people are influenced to perceive themselves as having less than others, will they feel a stronger need for affiliation and alter their spending habits in the moment?

This is important to ascertain, because the earlier work I have done so far has demonstrated that there is a relationship between these variables; however, it needs to be determined whether there is a causal effect here that drives these behaviors. Knowing this causal effect can be extremely important from both marketing and policy perspectives: specifically, I aim to understand the external factors which cause consumers to feel a lower sense of belonging in a specific moment, and how this may alter their shopping behaviors.

Much of the previous literature has demonstrated that luxury consumption is increasing in emerging markets. I have found that not only is luxury consumption increasing, but consumers in Brazil (an emerging market) are also more likely to use conspicuous consumption as a signal. The next step in this project, Study 2, aims to understand this cultural difference. What is driving this increase in conspicuous consumption, and why is it happening in Brazil (an emerging market) more than in Canada or the US (a developed market)?

3.2.1 Participants

Four hundred and seventy-seven participants (202 male, 275 female) were recruited in Canada (N=238) and the USA (N=239). 30% of the sample was 18-34 years old, 32% of the sample was 35-54 years old, and 38% of the sample was 55+ years old (full descriptive statistics can be found in Table 6). I used an online approach due to the realities of the COVID-19 pandemic, as it was not permitted to bring people into a lab setting during the time of this study. Qualtrics recruited paid participants for this study in both Canada and the USA.

The goal was to include an equal number of both male and female shoppers in both Canada and the USA. Given the sampling constraints that Qualtrics had during the study, I had to be flexible on this quota, but enough participants were recruited to have a large enough base size to explore both sex and market type (Canada/USA) independently, as well as residence status, income level (both household and individual), and region. Qualtrics was responsible for paying all respondents, and as such I am not sure exactly how much they were paid.

3.2.2 Measures and Pre-testing

All materials used in this study can be found in the Appendix.

Table 6

Variable Definitions

Variable	Description
Socioeconomic status (SES)	Assessed two types of SES on six items. (1) To what extent did people feel resource-deprived while *growing up?* (2) To what extent do people feel resource-deprived *in the present and near future*?
Conspicuous consumption	An 11-item scale that measures an individual's tendencies towards using conspicuous consumption.
Need for affiliation	A 26-item scale that measures the personality trait of someone's need for social belongingness.
Indulgence vs. restraint	A 6-item scale that measures indulgence versus restraint, one of Hofstede's (1983) six cultural dimensions, at the individual level.
Resource allocation task	Participants allocated a $3,000 budget among thirty-six products and services that varied in conspicuousness to measure how they would spend their money. The scale was developed across a pre-test sample of participants who rated every item on how conspicuous the item was. I then calculated an average score across all participants, to define the conspicuousness scale across the thirty-six items.
Sex	Defined as whether someone is biologically male or female.
Income	Both personal and household income data was collected.

Socioeconomic Status. This scale (Griskevecius, 2007) assessed two types of socioeconomic status: First, to what extent did people feel resource-deprived *while growing up*, and to what extent do people feel resource-deprived *in the present and near future*? To measure these constructs, participants responded to the following six statements on a 7-point scale anchored at *strongly disagree* and *strongly agree*. The items for childhood resource availability were (a) "My family usually had enough money for things when I was growing up"; (b) "I grew up in a relatively wealthy neighborhood"; and (c) "I felt relatively wealthy compared to the other kids in my school." The items for current and expected resource availability were (a) "I have enough money to buy things I want"; (b) "I don't worry too much about paying my bills"; and (c) "I don't think I'll have to worry about money too much in the future."

Conspicuous Consumption Scale. The conspicuous consumption orientation scale was developed by Chaudhuri et al. (2011). It is an 11-item scale that measures an individual's tendencies towards using conspicuous consumption. It is measured using a 7-point likert scale anchored at *strongly disagree* and *strongly agree* on items such as *"It says something to people around me when I buy a high-priced brand."*

Need for affiliation. Need for affiliation is a personality attribute representing someone's desire for social belonginess (Veroff & Veroff, 1980). The scale includes 26 self-report statements on a 7-point likert scale anchored at *strongly disagree* and *strongly agree*. Some items included were *"One of my greatest sources of comfort when things get rough is being with other people"; "The main thing I like about being around other people is the warm glow I get from contact with them";* and other statements about how you may prefer to be around other people. Reliability for this scale in the current sample is very strong with a Cronbach's alpha = .95.

Indulgence versus Restraint. As per the suggestion of Dr. Paulin, who is on my committee, I had connected with Ali Heydari to incorporate the scale he developed into this research as well. This scale is used to measure indulgence versus restraint at the individual level. This can be interesting in my work as well, as status and luxury consumption can also be driven by indulgence at both the cultural and individual level. This is one of Hofstede's six cultural dimensions. The indulgence versus restraint dimension refers to the degree of freedom that society gives to people to fulfill their desires. Indulgence is defined as "a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun" (Hofstede, 1986). Restraint, conversely, is defined as a society that controls and regulates gratification through social norms (Hofstede, 1986). The original cultural dimension is measured at the group level; however, the purpose of developing this scale is to measure the individual level of feelings towards indulgence and restraint.

Resource Allocation Task. Taken from a previously validated study by Griskevicius et al. (2011), participants were told, "Imagine you have just won $3,000 worth of products and services because a friend entered you into a drawing without your knowledge. You have only today to spend the entire $3,000 and can only spend it on the products and services listed below. If you do not spend all the money today, you will lose it." Participants then allocated this $3,000 budget among 36 products and services that varied in conspicuousness (see the Appendix for products and prices).

As per Griskevicius et al. (2011), I assigned the conspicuousness rating of each product using ratings from a separate sample of 160 demographically similar participants. Participants in this validation study were given the following definition of conspicuous consumption derived from Veblen (1899): "Conspicuous consumption involves spending money in a way that shows others you have money. It involves 'showing off' in the sense that you may be buying these conspicuous products and services to gain status and impress others around you." This separate sample of participants then rated each of the 36 products on conspicuousness (1 = "not at all conspicuous consumption" to 9 = "definitely conspicuous consumption"). As expected, conspicuousness ratings were higher for products such as designer sunglasses (M=6.26) and an elaborate car stereo system (M= 6.34) and lower for products such as jeans from a lower cost retailer (M=3.94) and a toaster oven (M=3.52).

Using the ratings provided by the independent sample, I created a conspicuousness index for each participant in the current study by averaging the level of conspicuousness across the products to which he or she allocated the $3,000 budget. This conspicuousness score served as the dependent measure for conspicuous consumption.

3.2.3 Experimental Procedure

Study 2 also incorporated an experimental design to explore whether perceived income inequality and, by extension, the need for affiliation can be manipulated in some way to drive increased consumer spending in status and luxury consumption. This experimental design was built into the online survey with all the measures discussed prior as an experimental survey. The purpose of the experiment was to manipulate feelings of income inequality and assess the impact. I used a between subject design to manipulate feelings of equality or inequality, using the established Bimboola paradigm designed by Jetten et al. (2015).

The Bimboola paradigm depicts an imaginary society where its economic structure can be manipulated as either the equality condition or the inequality condition. By manipulating these variables, it was easier to control for other variables as well (the full experimental paradigm can be found in Appendix 3).

The general flow of the survey with the experiment was as follows. Participants complete a basic demographic questionnaire used for control measures, which includes identifying their country of birth and personal and household income. We then get a pre-experiment measure for the need for affiliation, status, and luxury consumption. Participants then went through the Bimboola paradigm (Jetten et al., 2015) in either the equality condition or the inequality condition. Lastly, participants were asked to allocate resources between various products (as per the description above for the resource allocation task). The product list was made up of both necessities and material/conspicuous goods. Based on this design, I measured the amount of money allocated to the different product categories.

3.2.4 Data Cleaning and Analysis

The first step of the analysis was to determine if there were any differences across the Canadian and US sample for all variables of importance in the model, as you can see in Table 7. Since the three main variables used—need for affiliation, conspicuous consumption, and the resource allocation task for conspicuous consumption—are similar across Canada and the USA, I have merged the data set to one large sample size and will discuss it as North American data moving forward.

With no difference between the countries, I set out to determine what, if any, differences there were between males and females across all variables included in the study, as seen in Table 8. There are differences between males and females found in need for affiliation, conspicuous consumption, and indulgence versus restraint. Given that these differences are there, I will move forward with my analysis of the relationship between males and females without considering them a homogenous group. And as I look at the mediating role of need for affiliation, given the differences in both need for affiliation and conspicuous consumption across males and females, I will focus my analysis on the male sample.

Lastly, before looking at the results of the experiment, I wanted to see if the manipulation checks had worked to determine whether the experiment could be explored further. Two questions were asked at the end of the experiment: first, participants were asked to state their income group. This was asked to see if they had paid attention, as everyone should be in group two; there were no issues with the attention check. Next, they were asked “how wealthy is your group?”; had the manipulation worked, participants on the inequality manipulation should perceive their group as less wealthy than the participants in the equality group. This was not the case, as on a scale of 1-10, participants in the inequality group (N = 233, M = 5.19, SD = .83) had statistically similar responses to participants in the equality group (N = 233, M = 5.19, SD = .83). Given these findings, I have concluded that the manipulation did not work, and I focus the remaining analysis on the other variables in the survey.

Table 7

Comparison of Variables Between Canada and the USA

	Canada		USA		t	p	Cohen's D
	M	SD	M	SD			
Need for affiliation	105.85	26.17	104.5	32.72	.129	>.05	29.63
Conspicuous consumption	26.82	10.63	27.77	12.87	-.833	>.05	11.8
Resource allocation	4.96	.57	5.04	.54	-1.54	>.05	.55

Table 8

Descriptive Statistics for Total Sample

	Male		Female		Total	
	M	SD	M	SD	M	SD
Need for affiliation	109.34	29.97	99.76	29.22	104.67	29.6
Conspicuous consumption	29.2	13.09	25.9	10.57	27.3	11.8
Indulgence versus restraint	28.09	7.86	24.27	8.51	25.89	8.44
Socioeconomic status	22.46	7.79	21.41	7.09	21.86	7.41
Resource allocation	4.98	.59	5.02	.52	5	.55

3.2.5 Study 2 Results

As I mentioned in my analysis section, there are sex differences across multiple variables, as seen in Table 9. I begin by examining the main effect of sex across all variables. I look at conspicuous consumption across the two measures I used. In the conspicuous consumption scale, males (M = 29.2, SD = 13.09) were more likely than females (M = 25.9, SD = 10.57) to use conspicuous consumption in general (t = 3.05, p <.05). However, the resource allocation task used to measure conspicuous consumption behavior did not demonstrate a significant difference between male (M = 4.98, SD = .59) and female (M = 5.02, SD = .52) participants (t = -.83, p >.05).

Next, I look at need for affiliation across males and females. Males (M = 109.34, SD = 29.97) were more likely than females (M = 99.76, SD = 29.22) to demonstrate a need for affiliation (t = 3.5, p <.05). And lastly, with regards to indulgence versus restraint, males (M = 28.09, SD = 7.86) were more likely to demonstrate indulgence compared to females (M = 24.27, SD = 8.51), who were more likely to demonstrate restraint (t = 5.02, p <.05).

With regards to socioeconomic status, there were no statistically significant differences between male (M = 22.46, SD = 7.79) and female (M = 21.41, SD = 7.09) participants on this task (t = 1.52, p >.05).

Table 9

T-test Across Males and Females

	Male		Female		t	p	Cohen's D
	M	SD	M	SD			
Conspicuous consumption	29.2	13.09	25.9	10.57	.129	<.05	11.7
Resource allocation	4.98	.59	5.02	.52	-.83	<.05	.55
Need for affiliation	109.34	29.97	99.76	29.22	3.5	<.05	29.54
Indulgence vs. restraint	28.09	7.86	24.27	8.51	5.02	<.05	8.24

I went on to explore the relationship between conspicuous consumption, sex, and socioeconomic status, and more specifically whether sex moderates the relationship between self-perceived socioeconomic status and conspicuous consumption. A hierarchical multiple regression analysis was conducted. In the first step, two variables were included: sex and socioeconomic status. These two variables accounted for a significant amount of variance in conspicuous consumption, $R^2 = .29$, $F(2, 474) = 97.33$, $p < .01$. To avoid potentially problematic high multicollinearity with the interaction term, the variables were centered and an interaction term between sex and self-perceived socioeconomic status was created (Aiken & West, 1991).

After this, I added the interaction term (interaction can be seen in Figure 3) between sex and socioeconomic status, as seen in Table 10, to the regression model, which accounted for a significant proportion of the variance in conspicuous consumption behaviours, $\Delta R^2 = .01$, $\Delta F(1, 473) = 5.13$, $p = .02$, $\beta = -.32$, $t(473) = -2.26$, $p = .02$. Examination of the interaction plot showed an enhancing effect that as self-perceived socioeconomic status increased, conspicuous consumption significantly increased for males $t(476) = 4.73$, $p < .01$, however there was no significant increase for females. At low self-perceived socioeconomic status, conspicuous consumption was similar for both males and females. At the highest level of self-perceived socioeconomic status in this sample (middle class families), males were much more likely to use conspicuous consumption relative to their female counterparts.

These findings suggest that there is a main effect of self-perceived socioeconomic status on conspicuous consumption behaviour for males (as opposed to females): as socioeconomic status increases, conspicuous consumption is also likely to increase. This is the exact opposite of what was hypothesized, where it was predicted that lower socioeconomic status people would be more likely to use conspicuous consumption to elevate their status level.

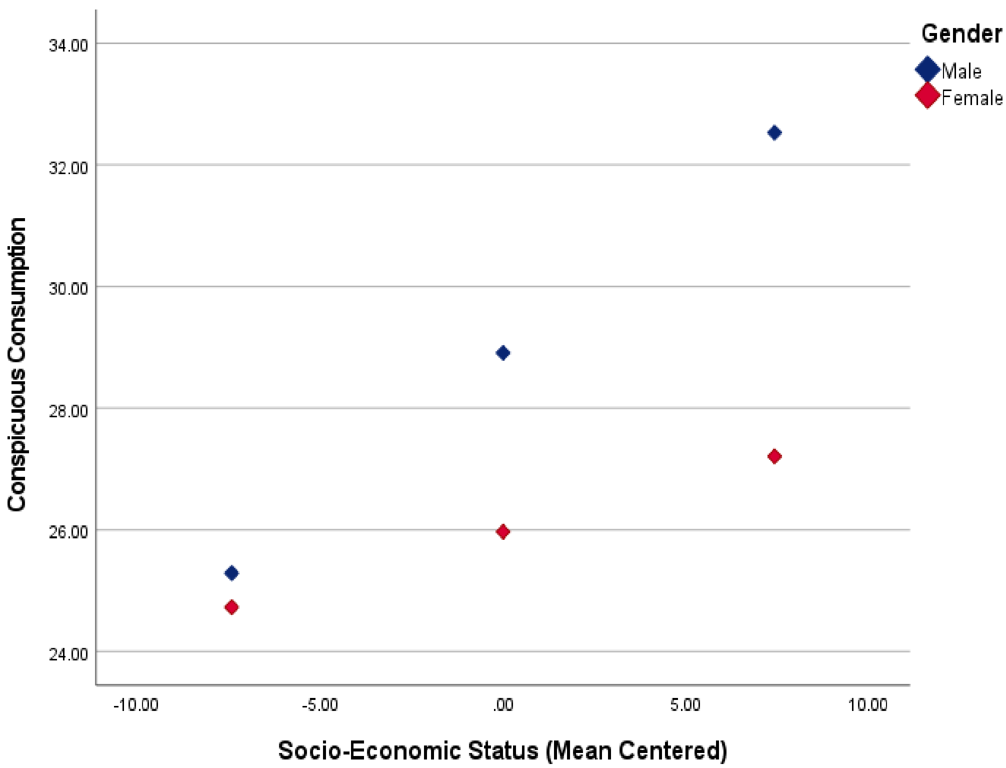
Table 10

Moderator Analysis: Sex

Effect	Coeff.	SE	95% CI		p
			LL	UL	
Socioeconomic Status	.30	.07	.16	.44	<.01
Sex	-2.94	1.06	-5.02	-.85	.01
Interaction	-.32	.14	-.60	-.04	.02
Constant	27.22	.52	26.19	28.25	<.01

Figure 3

Interaction Between Sex and Socioeconomic Status



The results of the third variable—need for affiliation, which is the mediator and is often, as discussed previously, driven by lower self-perceived socioeconomic status—is presented here and in Table 11, with an analysis of whether males' need for affiliation mediates the relationship between socioeconomic status and conspicuous consumption.

In the first step of the mediation model (*c*, Figure 4), the total effect of self-perceived socioeconomic status on conspicuous consumption, ignoring need for affiliation, is positive and significant, $\beta = .49$, $t\,(201) = 4.30$, $p < .01$. The second step (*a,* Figure *4*) demonstrated that the regression of self-perceived socioeconomic status on the mediator, need for affiliation, was also positive and significant, $\beta = 1.07$, $t\,(201) = 4.11$, $p < .01$. The third step of the mediation process (*b*, Figure) demonstrated that the mediator, need for affiliation, when controlling for self-perceived socioeconomic status, has a significant positive effect on conspicuous consumption, $\beta = .26$, $t\,(201) = 10.14$, $p < .01$. The fourth step (*c'*, Figure *4*) of the analyses demonstrated that, when controlling for the mediator, need for affiliation, self-perceived socioeconomic status has a significant positive effect on conspicuous consumption, $\beta = .22$, $t\,(201) = 2.25$, $p = .03$, CI = (.03, .41).

Multiplying *a* and *b* is what gives us the indirect effect, $ab = 1.07(.26) = .27$. For example, two middle-class males who differ by one unit on self-perceived socioeconomic status are estimated to differ by .27 units in increasing conspicuous consumption behaviour because of the tendency for middle-class males that self-report higher socioeconomic status to feel a stronger need for affiliation (because *a* is positive). This in turn translates into increased conspicuous consumption behaviours (because *b* is positive). This indirect effect is statistically different from zero, as demonstrated by a 95% bootstrap confidence interval that is entirely above zero (*BootCI* = .12, .43).

The direct effect of self-perceived socioeconomic status, $c' = .22$, is the estimated difference in conspicuous consumption behaviours between two middle-class males who have the same need for affiliation but differ by one unit in their self-perceived socioeconomic status. The significant positive coefficient indicates that a middle-class male who reports higher socioeconomic status but does not report a relatively higher need for affiliation will still increase conspicuous consumption by .22 units.

The total effect of self-perceived socioeconomic status on conspicuous consumption behaviour can be derived from summing the direct and indirect effects, or as demonstrated above, by regressing self-perceived socioeconomic status on conspicuous consumption itself: $c=c' + ab = .22 + .27 = .49$. Two middle-class males who differ by one unit on self-perceived socioeconomic status are estimated to differ by .49 units on conspicuous consumption behaviour. This suggests that middle-class males who perceive themselves to be of higher socioeconomic status are expected to increase their conspicuous consumption behaviours, which may mean over-leveraging themselves to make a purchase that they feel will raise their social status (keeping in mind that in order to do this, they must first have access to a means of purchasing the item). to make a purchase that they feel will raise their status in their social circle. This may be splurging on a new car every year or purchasing more conspicuous designers to wear (think Louis Vuitton, Gucci, or other luxury brands with large logos). The results here suggest that this is in fact due to their need for affiliation, ostensibly, with a higher class.

Figure 4

The Mediation Model

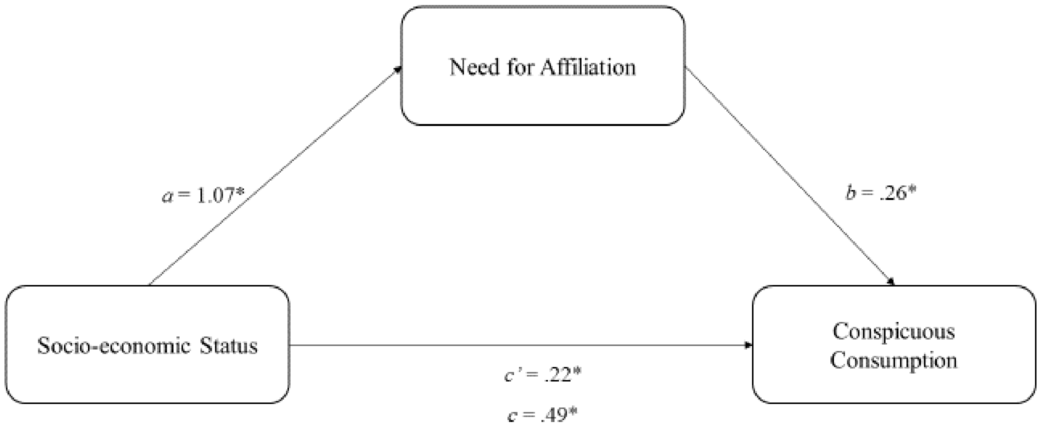


Table 11

Mediation Analysis: Need for Affiliation

	Consequent							
		M (Need for Affiliation)				*Y* (Conspicuous Consumption)		
Antecedents		Coeff.	SE	p		Coeff.	SE	p
X (SES)	a	1.07	.26	<.01	c'	.22	.10	.03
M (NFA)		---	---	---	b	.26	.03	<.01
Constant	i_M	85.05	6.16	<.01	i_Y	-3.52	3.07	.25
		$R^2 = .08$				$R^2 = .40$		
		$F(1, 200) = 16.88, p < .01$				$F(2, 199) = 65.42, p < .01$		

Table 12

Summary of Hypotheses and Findings

Hypothesis	Finding
H1: Males are more likely to use conspicuous consumption relative to females.	This is supported by the data in North American samples, but unfounded in Brazil.
H2: Conspicuous consumption is used more in emerging markets relative to developed markets.	This is supported by the data: individuals in Brazil are more likely to use conspicuous consumption signaling on dating apps.
H3: Lower (higher) self-perceived socioeconomic status will have higher (lower) usage rates of conspicuous consumption.	This is not supported by the data; in fact, the opposite was found to be true.
H4: Lower (higher) perceived socioeconomic status relative to peers will increase (decrease) the need for affiliation.	This is not supported by the data, and as above the opposite was found to be true.
H5: Higher (lower) need for affiliation will increase (decrease) the use of conspicuous consumption.	This is supported by the data in a North American sample.
H6: Need for affiliation mediates the relationship between perceived socioeconomic status and the use of conspicuous consumption.	This is supported by the data in a North American sample. However, the relationship is inverted as a function of the opposite findings in *H3* and *H4*.

4 Discussion

In this study I explored sex differences in conspicuous consumption in a novel real-world setting and found that when setting up their profiles on dating apps, the data suggest that in Canada, males were more likely to use displays of conspicuous consumption in their dating profiles (*H1*). The results in Study 1 partially confirmed previous findings, as well as validation of the research model and mediating influences in Study 2. There are countless studies by other researchers that demonstrate sex differences in conspicuous consumption; in fact, across multiple streams of the literature, males are much more likely to engage in conspicuous consumption relative to females (Buss, 1999; Eagly & Wood, 1999; Griskevicius & Kenrick, 2013; Roux, Tafani, and Vigneron, 2016; Saad, 2013). Some of my findings are consistent with this prior research.

When I analyzed the cross-cultural data between Brazil and Canada in relationship to how people set up their dating profiles, a novel finding emerged: the results suggested that people use conspicuous consumption in Brazil even more than in Canada. Low socioeconomic status consumers (as many Brazilians are) often demonstrate their status through conspicuous consumption. This can be used to signal belongingness to a higher socioeconomic group. Brazilians tend to flaunt status, which I hypothesized was due to a need for dignity and belongingness (or a need for affiliation), as well as their higher power distance as a culture. This finding is consistent with previous research on spending behaviors in emerging markets (Jaikumar & Sarin, 2015; Huang & Lee, 2017). Surprisingly though, the Brazilian data suggests there were no significant sex differences between how males and females set up their dating profiles using conspicuous consumption. This suggests that females in Brazil are also more likely to use conspicuous consumption as a social signal (relative to females in Canada).

While I expected conspicuous consumption to increase in developing countries such as Brazil, I also expected sex differences to emerge, and this was not the case. As a result, I examined other potential drivers for conspicuous consumption that may be specific to developing countries and may not be found as much in developed countries. As such, I considered explanations beyond the mating context, and more in line with the cultural context: since the mating context alone was not driving the signaling behaviour of status and luxury consumption in developing countries, what else could it be? In reviewing the literature, it became abundantly clear that there may be other drivers which had not been explored as deeply as sex. Specifically, the role that income or socioeconomic status has in driving status and luxury consumption was not fully examined. Income itself is an unclear positive antecedent for status and luxury consumption (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015), and status and luxury consumption is often used by people with low income and lower social class membership.

The sociocultural factors as they relate to social class suggest that people are often looking to climb the social hierarchy due to a need for belongingness or a need for affiliation (Belk, 1988; Veroff & Veroff, 1980). When testing the impact of socioeconomic status on conspicuous consumption outside the mating context, and the mediating role of the need for affiliation, the results came back with mixed findings. My initial hypothesis (*H1*) was confirmed again: males were more likely to use conspicuous consumption, and this was true even without the mating context (there were no predictors of female conspicuous consumption). However, I was unable to re-confirm the more surprising discovery, that the sex differences did not manifest in Brazil. Due to COVID-19 restrictions, I was not able to complete the final stage of the research in Brazil. As a result, the remaining discussion around my model focuses on the males in North America.

The mediating effect of need for affiliation was confirmed in the model, however, the directionality between socioeconomic status and both need for affiliation and conspicuous consumption was not as predicted. In *H6,* I posited that socioeconomic status has an impact on conspicuous consumption because of a person's increased need for affiliation. The data suggests that the need for affiliation mediates the relationship between socioeconomic status and conspicuous consumption, where people with ***higher*** perceived socioeconomic status were more likely to have a stronger need for affiliation and be more likely to use conspicuous consumption. This suggests that people do use conspicuous consumption as a function of their need for affiliation to gain a sense of belonging. However, the literature around need for affiliation and socioeconomic status suggests that people with lower socioeconomic status are more likely to strive to affiliate with a higher social class (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015). As such, the directionality of the main effect of socioeconomic status on both need for affiliation and conspicuous consumption needs to be examined further.

Starting with the first main effect hypothesized, (*H3* – people with lower (higher) self-perceived socioeconomic status will have higher (lower) usage rates of conspicuous consumption), this was not confirmed - and in fact, was the opposite of what I had predicted. The data suggests that people with higher socioeconomic status were more likely to use conspicuous consumption relative to people with lower self-perceived socioeconomic status. In *H4,* I posited that people with lower perceived socioeconomic status relative to their peers will have a higher need for affiliation, while people with higher perceived socioeconomic status have a lower need for affiliation. As in *H3*, not only was this hypothesis not confirmed, but the results were also the opposite of what I had expected. The findings in this study suggest that people with higher perceived socioeconomic status had a stronger need for affiliation. Finally, I examine the relationship between need for affiliation and conspicuous consumption in *H5.* I posit that people who have a higher need for affiliation will be more likely to use conspicuous consumption, while people with a lower need for affiliation will be less likely to use conspicuous consumption. The data suggest this last main effect - people do use conspicuous consumption to assuage their need for affiliation.

I have considered some potential reasons why the directionality of socioeconomic status on both need for affiliation and conspicuous consumption was the opposite of what I had predicted. In retrospect there are some key elements which I should have considered in this context. I controlled for income, and as such the actual range of household income was small ($65,000 to $100,000), centered around the median household income in Canada (and similarly in the USA sample). This was done for both theoretical and practical purposes. From a theoretical perspective, I wanted to control the sample to ensure there were no high-net-worth individuals and households who utilize status and luxury consumption in a vastly different manner (Jaikumar & Sarin, 2015). But practically speaking, collecting data from people who have high household incomes was very expensive and was just not feasible with my doctoral budget. Given that the income in my sample was mostly held constant for multiple reasons, including cost of sample, and to control for income.

Furthermore, the socioeconomic status I measured here is based on respondents' own self-perceptions rather than the realities of their situation; therefore, people who are earning relatively close incomes, can still have varied self perceptions of socioeconomic status. As such, I would opine that when people have higher perceived socioeconomic status than others in a similar income bracket, they may be more focused on climbing the social ladder, and as such may be more likely to use conspicuous consumption to create that image for others as well. This can be driven by ego or a need for self-actualization and goal attainment (Dijksterhuis & Arts, 2010; Festinger, 1954; Suls et al., 2002). There seems to be a boosted sense of self which is driving the conspicuous consumption in this case; they are, in fact, driven by their own perceptions of themselves, and what they want others to see (Gao et al., 2009). On the other hand, individuals who do not have a strong self-perception of their socioeconomic status may perceive that their attempts to fit in with a higher social class would be futile and thus would not even try. As discussed, Kessous and Valette-Florence (2019) found that self-esteem is an antecedent of status and luxury consumption. Based on their findings around first-hand and second-hand luxury goods, I posit that perhaps most of the current sample would be more likely to purchase second-hand luxury products in this case.

Given this methodological impasse (at the time), I sought to understand how the middle class is changing now. Can they even afford to spend on status and luxury consumption? When analyzing income level, given the household incomes I had to work with, I was missing a large amount of data. Only at the upper end were people in a financial position to start using conspicuous consumption. Given this, most people in the current sample, other than those with the most confidence in their upwards trajectory, would not feel comfortable spending money on conspicuous goods. A desire for status and climbing the social hierarchy is strong enough to drive middle class consumers with higher perceived socioeconomic status to consume luxury products more than those with lower perceived socioeconomic status. This is inline with what Belk (1988) has previously found with regards to status consumption: it often occurs regardless of income, and it can be used to climb the social hierarchy or relate to those in a higher socioeconomic class through the need for affiliation, albeit in a way that was not hypothesized and thus leaves the research open to explore new directions.

Overall, these findings partially support the previous body of literature which suggests that conspicuous consumption is often used to signal belongingness to a group and often to a higher social class or a group of people who may appear to be of a different social class (Dhaliwal et al., 2020; Jaikumar & Sarin, 2015; Kim & Zhang, 2014; O'Cass & Frost, 2002;

Tajfel & Turner, 1979). But the role of income and socioeconomic status is still partially unclear. I was also interested in delving into some factors I found in my initial study that I expected to moderate the effects found in Study 2. There were two primary areas I would have liked to explore further: the cultural differences between a developing and a developed country as well as the sex differences that did not manifest in Brazil. I had originally predicted them both to moderate the relationship between socioeconomic status and the need for affiliation and conspicuous consumption. Income inequality is typically stronger in developing countries, and it is well accepted that people use status and luxury consumption to raise their social status. I posit that conspicuous consumption would be higher in emerging markets relative to developed markets, and that the need for affiliation would be stronger in emerging markets relative to developed markets. Essentially the findings in this research were impacted by the lower levels of income inequality in North America relative to Brazil.

To summarize the results, the findings around culture and sex demonstrated that while sex is an antecedent to conspicuous consumption, culture and socioeconomic status can influence that relationship as well. While conspicuous consumption increases with self-perceived socioeconomic status, the sex relationship still stands. Males are more likely to use conspicuous consumption than females across both scenarios, but both sexes are more likely to use conspicuous consumption when there is lower self-perceived socioeconomic status. This was able to provide some context for the mixed results found previously with regards to the role of income and luxury consumption.

4.1 Research Implications

My research builds on the earlier literature to provide a wider context for status and luxury consumption as a function of income, income inequality, socioeconomic status, and how these factors drive people to spend in ways that may seem counterintuitive due to their need for affiliation with a higher social status. Firstly, my findings suggest that sex differences in status and luxury consumption are more pronounced in WEIRD (Western, Educated, Industrialized, Rich, Democratic; Henrich, 2010) samples. However, when exploring these sex differences in emerging markets such as Brazil, the sex differences are not present. While I had hoped to confirm this in my experimental work, given that I was not able to, there is room for future research to explore these sex differences further. I believe that this is driven by a desire to signal an affiliation with a higher social class, which females in emerging markets feel more acutely.

Furthermore, the need for affiliation has been established in this research as an antecedent to conspicuous consumption. However, it would be interesting to explore this phenomenon further. While I had attempted to manipulate these feelings, the manipulation check in this work suggested that the paradigm was not effective. This does not mean that it is not possible to manipulate these feelings of inequality and need for affiliation, just that it did not work in this case. The paradigm may need further testing, or a new paradigm may need to be developed, but this would be interesting to explore further in future research.

Next, the literature had some gaps with regards to mixed results, especially when related to income and socioeconomic status. While my results here were not what was expected, given some of my limitations, I would argue that there is still more work to be done to uncover the role of income inequality and socioeconomic orientation and how it relates to status and luxury consumption. I have proposed some new hypotheses and developed further reasoning around them for future research to use as a starting point to explore this further. Specifically it will be important to examine of the role of income, which did not have a main effect on conspicuous consumption, rather self-perceived socioeconomic status is what drove conspicuous consumption. I hypothesized that ego and the personal belief in the ability to fit in with a higher social class may be driving the usage of conspicuous consumption when income inequality as not as salient. However, in emerging markets, where income inequality is more salient, the need for affiliation may be stronger.

Lastly, one area of interest to researchers is how lower socioeconomic status individuals use conspicuous consumption across both emerging and developed markets. Without running the experiment side by side in Canada and Brazil the comparison is difficult to make, but exploring this further will give a broader understanding of the role of socioeconomic status in status and luxury consumption.

To summarize, I have added to the literature two novel findings: one, that sex differences in conspicuous consumption are not found in emerging markets; and two, that need for affiliation is a driver for conspicuous consumption. However, I do note that my ambitions were bigger than these findings, and while I have proposed some novel areas of research, I have not been able to explore them all to the depth that I would have liked. As such, I leave behind new areas of research which, driven by my findings, can lead to more interesting and novel findings, specifically on the role of socioeconomic status and income inequality across developed versus emerging markets.

4.2 Managerial Implications

From a managerial perspective, this deeper understanding of what drives luxury consumption across diverse cultures can be helpful. It is clear across many different industry reports that emerging markets are seeing much larger growth in the luxury market sector relative to developed economies like Canada, the USA, and even Europe.

The following managerial questions arise from my research: Is this growth sustainable? How should we focus our marketing communications? Should we be opening more stores in developing countries? And many more can be answered by having a deeper understanding of this context. Companies selling luxury goods are concerned with their bottom line. Underlying human motivations, which add a layer of context to the growth experienced in emerging markets, can be helpful in that regard. More specifically, recognizing what is driving purchases in affordable luxury brands can help marketers with their marketing communications. For example, recognizing how people in varying cultures use status and luxury differently can drive a more segmented approach to marketing communications. The fact that males are much more likely than females to use conspicuous consumption as a signaling behaviour is very telling about what kind of advertising is needed across sexes.

Take the luxury market in China as an example. China is a developing economy where the luxury market is really growing. It is well known that Chinese consumers value conspicuous goods especially in the fashion world, a lot more than consumers in North America, as it is driven by their desire to emulate successful Western nations (Dickson, et al., 2004). While there are other cultural aspects at play, luxury brands can leverage the information that the need for affiliation drives people to spend on status and luxury goods. Drawing on this to develop brand communities or developing marketing communications which focus on being a part of something bigger than yourself may drive home the message of affiliation when using their specific luxury brand. This is something that can bring people together.

Brazil is another market where luxury brand marketers can develop their marketing communications around fulfilling their need for belongingness or being a part of something bigger and better. Furthermore, the results suggest that there is no need to differentiate marketing communications between males and females, as both are likely to use status and luxury consumption equally in Brazil.

Another point to consider is that it is well established that brand managers look to behavioural science to help guide their work. New understanding around conspicuous, status, and luxury consumption can provide new opportunities to tailor their marketing communications based on audience.

While it is beyond the scope of this dissertation, it is important to note that there are ethical and moral issues that need to be considered in this regard. Some of the current work I have been discussing can be used to boost companies' bottom lines while potentially putting middle class families in financial peril. This research can provide insight to policy issues, especially around personal finance, and issues of consumer debt. It is well established that saving for retirement is an issue in many middle-class households; this is further exacerbated by their levels of consumer debt. Lower income households spend more on conspicuous goods, often at the expense of long-term savings and other important needs (i.e., healthcare, education, etc.), and this leads to increased consumer debt (Christen & Morgan 2005). It should come as no surprise that people with a lot of consumer debt are spending beyond their means.

Understanding the reasoning behind this behaviour, namely the need for affiliation or sense of belongingness, can open the door for policy makers to review this further and lead to helpful policy initiatives aimed at responsible spending/saving.

During the COVID-19 pandemic, Brazil saw an uptick in this kind of behavior because there is less opportunity to spend on conspicuous consumption (Almeida & Martins, 2020). Finding ways to sustain this positive behavior in emerging markets can be especially important. However, this does not have to fall solely on policy makers, as firms can take a socially responsible approach to their marketing strategies to communicate differently: i.e., in a way that leads to less perceived inequality and better spending behaviours.

Currently, North American household debt has also reached unprecedented levels. Debt to income ratios have reached record highs since the end of the pandemic (Bank of Canada, 2022). With a constant need for middle class people to be pushing their debt limits, it is important to recognize the role that luxury consumption plays in all this, and not “sweep it under the rug.” The current research shows a clear case for why people spend money they do not have to impress people they probably do not care all that much about at the end of the day. Knowledge is the first step to action, and the social implications of this research can be far-reaching if handled properly.

5 Limitations and Future Directions

Data collection limits: Due to the realities of COVID-19, there were issues with completing my data collection as originally proposed. Significant delays (e.g., project manager going on medical leave and not replying to emails) that occurred with the panel provider in North America and issues with securing a panel provider in Brazil led to issues with completing my full data collection.

Experimental limitations: While I did use a previously tested and utilized paradigm to try to initiate feelings of inequality, the paradigm did not seem to work in this case. While I could not experimentally control for perceived income inequality because of this, I had other proxies in place for this occurrence. While this did not let me test all my original hypotheses, the experiment and resulting data that I did acquire does add to body of literature, and there is opportunity to try and adapt the Bimboola paradigm in the future.

Measurement limitations: In my attempt to control for income, I may have limited my data set to a narrow set of middle-class consumers. This led to my hypothesis around socioeconomic status to not be as predicted; it demonstrated the opposite, that consumers in the same middle class with higher perceived socioeconomic status were more likely to use conspicuous consumption as a function of their need for affiliation. This opens the way for future research to try to understand why this may be the case. Was it in fact an issue with the way I measured it, or is there perhaps something deeper as hypothesized earlier in the discussion?

Other considerations: In future research there is opportunities to explore these findings in other emerging markets like China and India. It will be important to understand the research across multiple dimensions of culture, including the previous mentioned area of power distance (Hofstede, 1983), and how that relates to conspicuous consumption. Furthermore, recognizing the role of individualistic versus collectivist cultures (Hofstede, 1983) may further help understand some differences here as well. Finally, broadening the scope to incorporate institutional theory (Scott, 2008), may account for some of the confounds discovered between what was hypothesized and what was found.

6 Conclusion

To summarize, I set out to answer several questions where I perceived the literature to be lacking. The first question I set out to answer was: what is the role of income and socioeconomic status as it relates to status and luxury consumption? While the answer is not yet complete, this dissertation opened a new area of research to pursue this question. As the current findings suggest, there is a role that socioeconomic status plays in driving the need for affiliation, but this needs to be further explored.

Next, I attempted to answer: what role does sex have outside a mating context? What else drives these sex differences commonly reported in the literature? Are these findings ubiquitous across cultures? In response to the first question, the current work established that there are sex differences independent of the mating context. In fact, males will in general be more likely to use conspicuous consumption with nothing priming them to do so, as suggested in previous research (Griskevicius, 2007; 2014). However, what it is that drives these sex differences is still unclear, as in the answer to the third question: the current research has found that these sex differences are culturally dependent, and in Brazil the sex differences are nonexistent. While I do not yet have the complete answer, this work has put forward new questions and approaches in which to explore this area.

Finally, my last question was: how do different socio-cultural factors, such as fulfilling one's need for status and belonging, impact an individual's tendency to partake in status and luxury consumption? The current research suggests that the need for affiliation is a driving factor behind status and luxury consumption. Specifically, people who have a stronger need for affiliation are more likely to engage in status and luxury consumption or conspicuous consumption.

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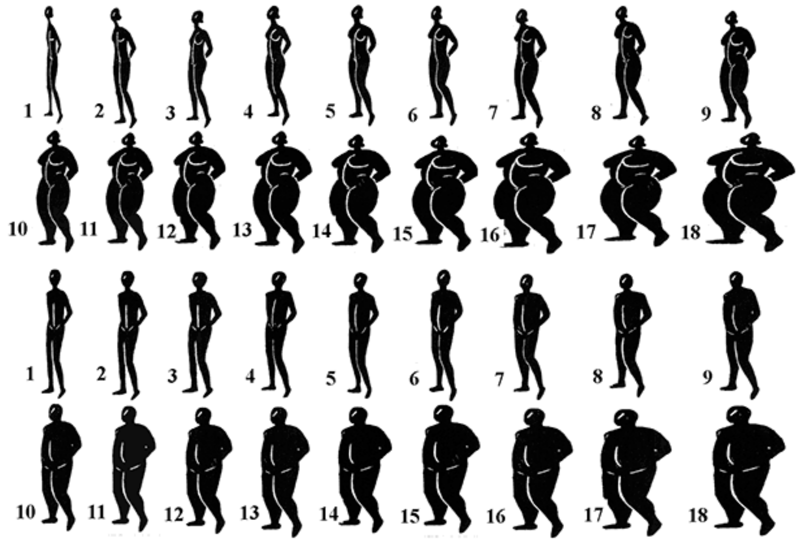
Appendix A

Measure one: Coding book for coders in study 1.

Coding for Tinder and Grindr profiles

1) Gender – 1 = Male, 2 = Female
2) For Tinder Profiles
    a. Age
    b. Body type (based on picture)
        i. Female – 1 = Athletic, 2 = Average, 3 = Curvy, 4 = Plus sized, 5 = Thin, 0 = N/A

        ii. Male - 1 = Toned, 2 = Average, 3 = Large, 4 = Muscular, 5 = Slim, 6 = Stocky, 0 = N/A
    c. Body type based on CDC

i. 

(Ettarh et al., 2013)

d. Looking for? (Short term, long term Explicit)
    i. 1 = Long term, 2 = Short term, 0 = N/A
e. Looking for? (Short term, long term implicit)
    i. 1 = Long term, 2 = Short term, 0 = N/A

3) Based on your initial impression of the profile (both picture and text) please rate the profile on the following: 1 is not at all and 7 is very much so.
    a. Does person in the profile attempt to show some sort of showy spending? (Conspicuous Consumption)
    b. Would you find this person to have a sexually suggestive profile? (Reproduction and Sociosexual orientation)
    c. Does this person attempt to demonstrate physical fitness and healthy living? (Disease avoidance)

Appendix B

Study 2 Survey Measures

INFORMATION AND CONSENT FORM

Study Title: The Need for Affiliation: Why Income Inequality Leads to Conspicuous Consumption

Researcher: Chaim Kuhnreich

Researcher's Contact Information: chaim.kuhnreich@concordia.ca

Faculty Supervisor: Dr. Lea Katsanis & Dr. Lilian Carvalho

Faculty Supervisor's Contact Information: lea.katsanis@concordia.ca & lilian.carvalho@fgv.br

You are being invited to participate in the research study mentioned above. This form provides information about what participating would mean. Please read it carefully before deciding if you want to participate or not. If there is anything you do not understand, or if you want more information, please ask the researcher.

A. PURPOSE

The purpose of the research is to understand the relationship between income inequality and status and luxury consumption. Essentially, how does perceptions of inequality and actual inequality impact spending on luxury goods and services.

B. PROCEDURES

If you participate, you will be asked to complete some questionnaires as well as participate in several resource allocation tasks.

In total, participating in this study will take approximately 30-45 minutes.

C. RISKS AND BENEFITS

This research is not intended to benefit you personally.

D. CONFIDENTIALITY

We will gather the following information as part of this research: Unidentifiable demographic data as well as your responses to questionnaires and other tasks.

We will not allow anyone to access the information, except people directly involved in conducting the research. We will only use the information for the purposes of the research described in this form.

The information gathered will be anonymous. That means that it will not be possible to make a link between you and the information you provide.

We intend to publish the results of the research. However, it will not be possible to identify you in the published results.

We will destroy the information five years after the end of the study.

F. CONDITIONS OF PARTICIPATION

You do not have to participate in this research. It is purely your decision. If you do participate, you can stop at any time. Once you complete the study, you will not be able to withdraw, as all data in anonymous, and the researchers will not be able to identify your data.

As a compensatory indemnity for participating in this research, you will receive fair market value (TBD). If you withdraw before the end of the research, you will not get paid.

To make sure that research money is being spent properly, auditors from Concordia or outside will have access to a coded list of participants. It will not be possible to identify you from this list.

There are no negative consequences for not participating, stopping in the middle, or asking us not to use your information.

G. PARTICIPANT'S DECLARATION

I have read and understood this form. I have had the chance to ask questions and any questions have been answered. I agree to participate in this research under the conditions described.

Demographics

Q2.1 Please indicate your gender

- ○ Male
- ○ Female
- ○ Non-binary
- ○ Prefer not to say

Q2.2 How old are you?

- ○ 18 - 34
- ○ 35 - 54
- ○ 55+

Q2.3 What is your current status in Canada/USA?

- ○ Canadian citizen born in Canada
- ○ Canadian citizen born outside Canada
- ○ Permanent resident in Canada
- ○ Temporary resident in Canada

Q2.7 Are you currently employed?

- ○ Full-time

- ◯ Part-time
- ◯ Homemaker
- ◯ Student
- ◯ Retired
- ◯ Furloughed
- ◯ Not working, but looking for work
- ◯ Not working, and not looking for work
- ◯ Other (Please specify) ____
- ◯ Prefer not to say

Q2.8 What is your current annual income?

- ◯ Less than $10,000
- ◯ $10,000 - $19,999
- ◯ $20,000 - $29,999
- ◯ $30,000 - $39,999
- ◯ $40,000 - $49,999
- ◯ $50,000 - $59,999
- ◯ $60,000 - $69,999
- ◯ $70,000 - $79,999
- ◯ $80,000 - $89,999

- $90,000 - $99,999
- $100,000 - $149,999
- More than $150,000

Q2.9 What is your annual household income?

- Less than $10,000
- $10,000 - $19,999
- $20,000 - $29,999
- $30,000 - $39,999
- $40,000 - $49,999
- $50,000 - $59,999
- $60,000 - $79,999
- $80,000 - $99,999
- $100,000 and Over

Q2.10 What is the highest level of education that you completed?

- Less than high school
- High school graduate
- Some college
- Undergraduate

○ Masters

○ Professional degree

○ Doctorate

Q2.11 Are you currently in a committed relationship?

○ Yes

○ No

Need for Affiliation (Vanhoff & Vanhoff, 1980)

Q3.1 Please indicate your level of agreement to the following statements below, from 1 - *strongly disagree* to 7 - *strongly agree*.

1- One of my greatest sources of comfort when things get rough is being with other people.
2- I prefer to participate in activities alongside other people rather than by myself because I like to see how I am doing on the activity.
3- The main thing I like about being around other people is the warm glow I get from contact with them.
4- It seems like whenever something bad or disturbing happens to me I often just want to be with a close, reliable friend.
5- I mainly like people who seem strongly drawn to me and who seem infatuated with me.
6- I think I get satisfaction out of contact with others more than most people realize.
7- When I am not certain about how well I am doing at something, I usually like to be around other so I can compare myself to them.
8- I like to be around people when I can be the center of attention.
9- When I have not done very well on something that is very important to me, I can get to feeling better simply by being around other people.

10- Just being around others and finding out about them is one of the most interesting things I can think of doing.
11- I seem to get satisfaction from being with others more than a lot of other people do.
12- If I am uncertain about what is expected of me, such as on a task or in a social situation, I usually like to be able to look to certain others for cues.
13- I feel like I have really accomplished something valuable when I am able to get close to someone.
14- I find that I often have the desire to be around other people who are experiencing the same thing I am when I am unsure of what is going on.
15- During times when I have to go through something painful, I usually find that having someone with me makes it less painful.
16- I often have a strong need to be around people who are impressed with what I am like and what I do.
17- If I feel unhappy or kind of depressed, I usually try to be around other people to make me feel better.
18- I find that I often look to certain other people to see how I compare to others.
19- I mainly like to be around others who think I am an important, exciting person.
20- I think it would be satisfying if I could have very close friendships with quite a few people.
21- I often have a strong desire to get people I am around to notice me and appreciate what I am like.
22- I do not like being with people who may give me less than positive feedback about myself.
23- I usually have the greatest need to have other people around me when I feel upset about something.
24- I think being close to others, listening to them, and relating to them on a one-to-one level is one of my favorite and most satisfying pastimes.
25- I would find it very satisfying to be able to form new friendships with whomever I liked.
26- One of the most enjoyable things I can think of that I like to do is just watching people and seeing what they are like.

Conspicuous Consumption

Q4.1 Please indicate how much you agree with each statement.

1- It says something to people around me when I buy a high-priced brand.
2- I buy some products because I want to show others that I am wealthy.
3- I would be a member in a businessman's posh club.
4- Given a chance, I would hang an expensive painting in my room.
5- I would buy an interesting and uncommon version of a product otherwise available with a plain design, to show others that I have an original taste.
6- Others wish they could match my eyes for beauty and taste.
7- By choosing a product having an exotic look and design, I show my friends that I am different.
8- I choose products or brands to create my own style that everybody admires.
9- I always buy top-of- the-line products.
10- I often try to find a more interesting version of the run-of- the-mill products, because I want to show others that I enjoy being original.
11- I show to others that I am sophisticated.

Hedonism (Heydari et al.,)

Q4.2 Please indicate how much you agree with each statement.

1- There should not be any limits on individuals' enjoyment.
2- Societies should value relatively free gratification of desires and feelings.
3- Desires, especially with respect to sensual pleasures, should not be suppressed.
4- The gratification of desires should not be delayed.
5- One should enjoy complete sexual freedom without restriction.
6- Feelings and desires related to casual sex should be gratified freely.

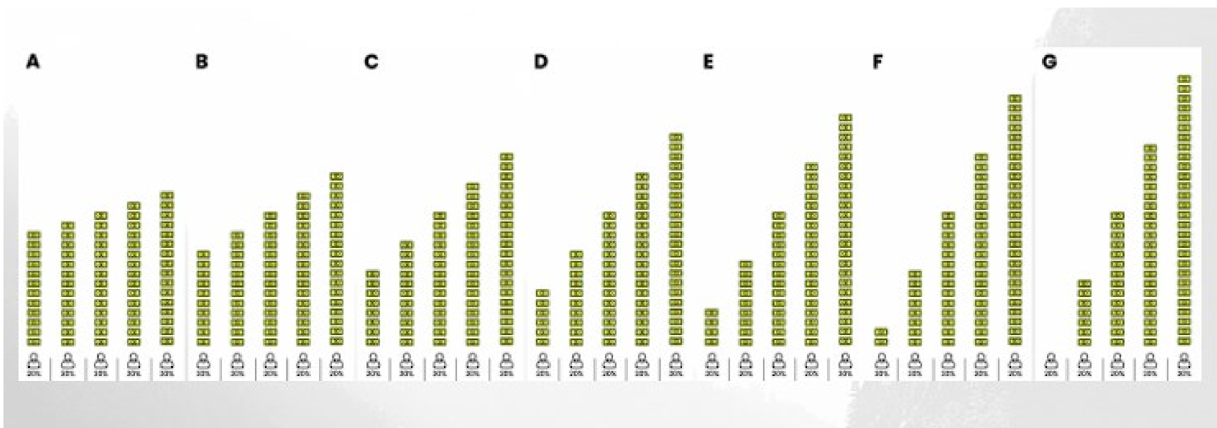
Status Consumption (

Q4.3 Please indicate your level of agreement with the following statements:

1- The status of a product is irrelevant to me.
2- I am interested in new products with status.
3- I would pay more for a product if it had status.
4- A product is more valuable to me if it has some snob appeal.
5- I would buy a product just because it has status

Perceived Income Inequality

Which figure below do you believe most accurately represents the economic structure of Canada today?



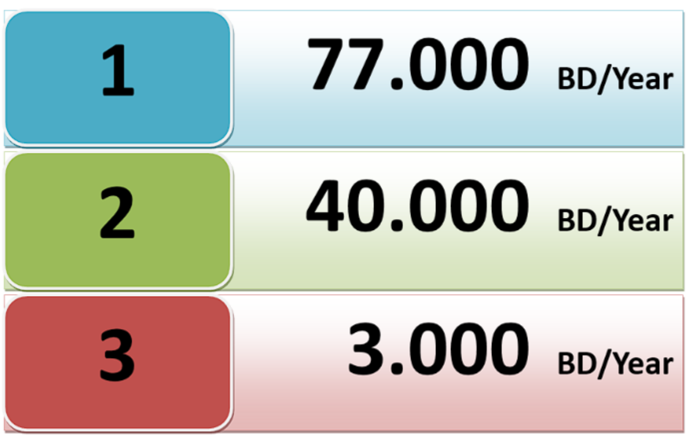
Bimboola Paradigm (Jetten et al,)

Inequality Group Manipulation

In this study, you will become a citizen of a new society called Bimboola. You will start a new life there and become a member of Bimboolean society. Bimboola is just like any other society.

Bimboola is a society that is quite unequal in its wealth distribution. This means that the wealth gap between the poorest and wealthiest people in Bimboola is quite large (in particular compared to the wealth gap in other societies).

There are three main income groups in Bimboolean society. The income distribution in Bimboola takes the shape of the picture below.



You can see in the picture that:

· income group 1 earns on average 77.000 BD per year
· income group 2 earns on average 40.000 BD per year
· income group 3 earns on average 3.000 BD per year

In order to start off your new life in Bimboola you will be assigned in one of these income levels.

On the next page you will receive information about the Bimboolean income group to which you have been assigned. Please read this information carefully.

You have been assigned to **income group 2**

Bimboolean citizens in **income group 2** earn on average 40.000 BD/Year

New Life

To begin your new life in Bimboola, the daily essentials must be purchased. The following questions will ask you to select items which you require. However, you can only select the items that you can afford, this is determined by your group's annual income.

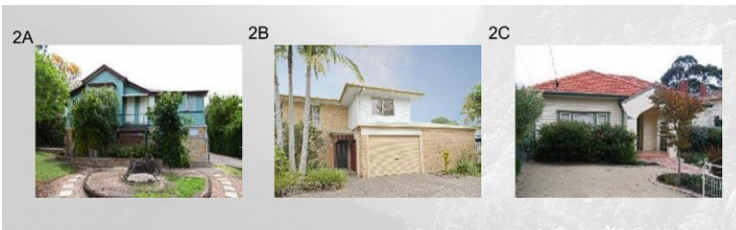
PLEASE NOTE: you are assigned to **income group 2**, so you will earn on average **<u>40.000 BD</u>** per year.

In the next pages, you will see different houses available in Bimboola. They are organized in three groups of three houses depending on their price. After viewing these options, please select the one you would like to purchase.

<u>Important:</u> you can only choose from those houses that your income group can afford. The items are numbered by income group so you know what you can afford.

Income Level 1 Housing Options

Income Level 2 Housing Options



Income Level 3 Housing Options

Please select the house you would like to buy by clicking on one of the pictures:

Remember you can only choose from those houses that your income group can afford. You belong to income group 2, so you will earn on average **40.000 BD** per year.

You selected your house!

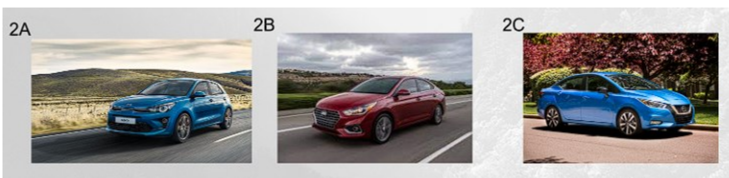
Congratulations! Now you have a house!

In the next slides you will see different means of transport available in Bimboola. They are organized in three groups of three means of transport depending on their price. After viewing these options, please select the one you would like to purchase.

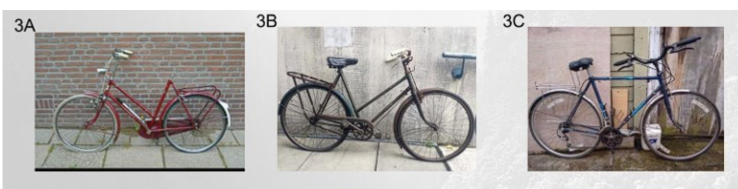
<u>Important:</u> you can only choose from those means of transport that your income group can afford. The items are numbered by income group so you know what you can afford.

Income Level 1 Transportation Options

Income Level 2 Transportation Options



Income Level 3 Transportation Options



Please select the means of transport you would like to buy by clicking on one of the pictures:

<u>Remember</u> you can only choose from those means of transport that your income group can afford. You belong to income group 2, so you will earn on average <u>**40.000 BD**</u> per year.

You selected your means of transport!

Congratulations! Now you have a means of transport!

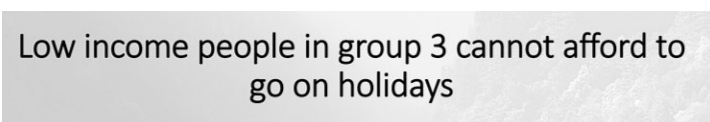
In the next slides you will see different holidays available in Bimboola. They are organized in three groups of three holidays depending on their price. After viewing these options, please select the one you would like to purchase.

Important: you can only choose from those holidays that your income group can afford. The items are numbered by income group so you know what you can afford.

Income Level 1 Holiday Options

Income Level 2 Holiday Options

There are no holiday options for income level 3



Please select the holiday you would like to enjoy by clicking on one of the pictures:

Low Income people in group 3 cannot afford to go on holidays.

Remember you can only choose from those holidays that your income group can afford. You belong to income group 2, so you will earn on average **40.000 BD** per year.

You selected your holiday!

Congratulations!

According to the information that you have about Bimboola, please answer the next questions:

Which income level have you been assigned to?

How wealthy is your group?

Equality Group Manipulation

In this study you will become a citizen of a new society called Bimboola. You will start a new life there and become a member of Bimboolean society. Bimboola is just like any other society.

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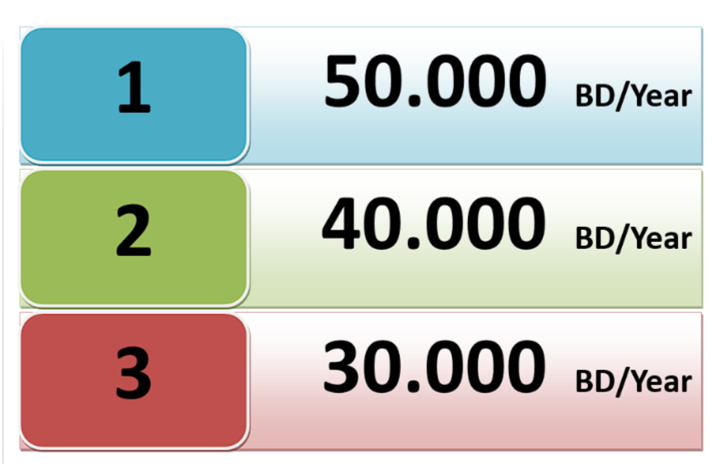


You can see in the picture that:

· income group 1 earns on average 50.000 BD per year
· income group 2 earns on average 40.000 BD per year
· income group 3 earns on average 30.000 BD per year

in order to start off your new life in Bimboola you will be assigned in one of these income levels.

On the next page you will receive information about the Bimboolean income group to which you have been assigned. Please read this information carefully.

You have been assigned to **income group 2**

Bimboolean citizens in **income group 2** earn on average 40.000 BD/Year

New Life

To begin your new life in Bimboola, the daily essentials must be purchased. The following questions will ask you to select items which you require. However, you can only select the items that you can afford, this is determined by your group's annual income.

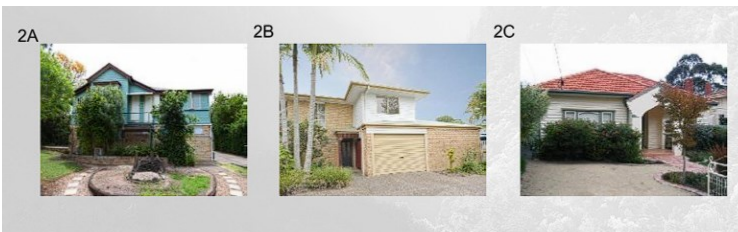
PLEASE NOTE: you are assigned to **income group 2**, so you will earn on average **<u>40.000 BD</u>** per year.

In the next pages, you will see different houses available in Bimboola. They are organized in three groups of three houses depending on their price. After viewing these options, please select the one you would like to purchase.

<u>Important:</u> you can only choose from those houses that your income group can afford. The items are numbered by income group so you know what you can afford.

Income Level 1 Housing Options

Income Level 2 Housing Options



Income Level 3 Housing Options

Please select the house you would like to buy by clicking on one of the pictures:

Remember you can only choose from those houses that your income group can afford. You belong to income group 2, so you will earn on average **40.000 BD** per year.

You selected your house!

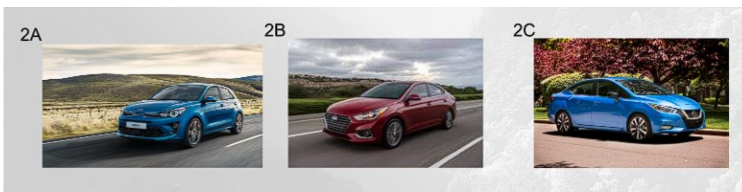
Congratulations! Now you have a house!

In the next slides you will see different means of transport available in Bimboola. They are organized in three groups of three means of transport depending on their price. After viewing these options, please select the one you would like to purchase.

Important: you can only choose from those means of transport that your income group can afford. The items are numbered by income group so you know what you can afford.

Income Level 1 Transportation Options

Income Level 2 Transportation Options



Income Level 3 Transportation Options

Please select the means of transport you would like to buy by clicking on one of the pictures:

Remember you can only choose from those means of transport that your income group can afford. You belong to income group 2, so you will earn on average **40.000 BD** per year.

You selected your means of transport!

Congratulations! Now you have a means of transport!

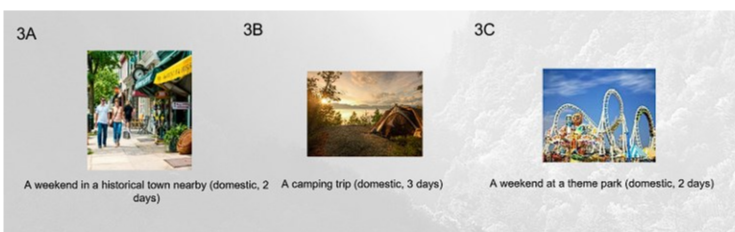
In the next slides you will see different holidays available in Bimboola. They are organized in three groups of three holidays depending on their price. After viewing these options, please select the one you would like to purchase.

<u>Important:</u> you can only choose from those holidays that your income group can afford. The items are numbered by income group so you know what you can afford.

Income Level 1 Holiday Options

Income Level 2 Holiday Options

Income Level 3 Holiday Options



Please select the holiday you would like to enjoy by clicking on one of the pictures:

<u>Remember</u> you can only choose from those holidays that your income group can afford. You belong to income group 2, so you will earn on average **<u>40.000 BD</u>** per year.

You selected your holiday!

Congratulations!

According to the information that you have about Bimboola, please answer the next questions:

Which income level have you been assigned to?

How wealthy is your group?

Resource Allocation Task

Imagine you have just won $3,000 worth of products and services, because a friend entered you into a drawing without your knowledge. You have only today to spend the entire $3,000 and can only spend it on the products and services listed below. If you do not spend all the money today, you will lose it.

On the following pages you will see categories with products available to purchase. Please browse through all products and select your purchases.

Q10.2Do you think the disparity between the rich and the poor has grown in the past 5 years in Canada?

○ No

○ If pressed to say, I would say no

○ I cannot say either way

○ If pressed to say, I would say yes

○ Yes

SES Griskevicius et al.

Q11.1 Please indicate your level of agreement to the following statements below, from 1 - *strongly disagree* to 7 - *strongly agree*.

1- My family usually had enough money for things when I was growing up.

2- I grew up in a relatively wealthy neighborhood

3- I felt relatively wealthy compared to the other kids in my school.

4- I have enough money to buy things I want.

5- I do not need to worry too much about paying bills.

6- I do not think I will have to worry about money too much in the future.

CERTIFICATION OF ETHICAL ACCEPTABILITY
FOR RESEARCH INVOLVING HUMAN SUBJECTS

Name of Applicant:	Chaim Kuhnreich
Department:	John Molson School of Business\Marketing
Agency:	N/A
Title of Project:	The Need for Affiliation: Why Income Inequality Leads to Conspicuous Consumption
Certification Number:	30015030

Valid From: May 11, 2021 To: May 10, 2022

The members of the University Human Research Ethics Committee have examined the application for a grant to support the above-named project, and consider the experimental procedures, as outlined by the applicant, to be acceptable on ethical grounds for research involving human subjects.

Richard DeMont

Dr. Richard DeMont, Chair, University Human Research Ethics Committee

CERTIFICATION OF ETHICAL ACCEPTABILITY
FOR RESEARCH INVOLVING HUMAN SUBJECTS

Name of Applicant:	Chaim Kuhnreich
Department:	John Molson School of Business\Marketing
Agency:	N/A
Title of Project:	The Need for Affiliation: Why Income Inequality Leads to Conspicuous Consumption
Certification Number:	30015030

Valid From: May 18, 2022 To: May 17, 2023

The members of the University Human Research Ethics Committee have examined the application for a grant to support the above-named project, and consider the experimental procedures, as outlined by the applicant, to be acceptable on ethical grounds for research involving human subjects.

Richard DeMont

Dr. Richard DeMont, Chair, University Human Research Ethics Committee